



Phoenix Group Holdings plc

(incorporated with limited liability in England and Wales with registered number 11606773)

£5,000,000,000 Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Prospectus (the "**Programme**") Phoenix Group Holdings plc ("**Phoenix**" or "**PGH**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The Notes may be issued (i) as dated unsubordinated notes ("**Senior Notes**"), (ii) as dated subordinated notes with terms capable of qualifying as Tier 3 Capital (as defined in "*Terms and Conditions of the Tier 3 Notes*") ("**Tier 3 Notes**"), (iii) as dated subordinated notes with terms capable of qualifying as Tier 2 Capital (as defined in "*Terms and Conditions of the Tier 2 Notes*") ("**Dated Tier 2 Notes**") or as undated subordinated notes with terms capable of qualifying as Tier 2 Capital (as defined in "*Terms and Conditions of the Tier 2 Notes*") ("**Undated Tier 2 Notes**" and, together with the Dated Tier 2 Notes, the "**Tier 2 Notes**"). The Tier 2 Notes and the Tier 3 Notes are referred to collectively in this Prospectus as the "**Subordinated Notes**". The aggregate nominal amount of Notes outstanding will not at any time exceed £5,000,000,000 (or the equivalent in other currencies). Payments of interest and principal under the Subordinated Notes may be subject to optional or mandatory deferral in accordance with the terms of the relevant Series (as defined herein) of Subordinated Notes.

This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**") as a base prospectus (the "**Prospectus**") for the purposes of the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval only relates to the Notes which are to be admitted to trading on the London Stock Exchange plc's (the "**London Stock Exchange**") Main Market (the "**Market**") and/or that are to be offered to the public in the United Kingdom (the "**UK**") in circumstances that require the publication of a prospectus.

This Prospectus (as supplemented as at the relevant time, if applicable) is valid under the UK Prospectus Regulation for 12 months from its date in relation to the Notes which are admitted to trading on a regulated market in the UK. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The Prospectus provides information with regards to Phoenix and the Group (being Phoenix and each of its consolidated subsidiaries (the "**Group**", which expression shall, for any date occurring or period ending prior to 12 December 2018, include where the context so requires PGH Cayman (as defined below) and its consolidated subsidiaries)) which, according to the particular nature of Phoenix, the Group and the Notes is necessary to enable investors to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of Phoenix and the Group, of the rights attaching to the Notes and of the reasons for an issuance of Notes and its impact on the Issuer.

Applications have been made to the FCA for Notes issued under the Programme (other than PR Exempt Notes (as defined below)) for the period of 12 months from the date of this Prospectus to be admitted to the official list of the FCA (the "**Official List**") and to be admitted to trading on the Market. The Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). 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 (or any other stock exchange) and have been admitted to the Official List. 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 UK Prospectus Regulation or the Financial Services and Markets Act 2000 ("**FSMA**"). Information contained in this Prospectus regarding PR Exempt Notes shall not be deemed to form part of this Prospectus and the FCA 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 relevant 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.

Each Series of Notes in bearer form may 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 a temporary Global Note, a "**Global Note**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's (as defined herein) entire holding of Registered Notes (as defined herein) of one Series. Certificates representing Registered Notes that are registered in the name of a nominee or a common nominee, as the case may be, for one or more clearing systems are referred to as "**Global Certificates**". In the case of Senior Notes, if the relevant Global Note is stated in the relevant Final Terms 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**"). Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Certificates will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). In the case of Senior Notes, if the relevant Global Certificates are stated in the relevant Final Terms to be issued under the New Safekeeping Structure ("**NSS form**"),

the Global Certificates will be delivered on or prior to the original issue date of the relevant Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Overview of Provisions Relating to the Notes while in Global Form*".

Series of Notes to be issued under the Programme may be rated or unrated. Where a Series of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Where a Series of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Series of Notes will be treated as having been issued by a credit rating agency established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**") will be disclosed in the relevant Final Terms. A credit 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.

In the case of any Notes which are to be admitted to trading on a regulated market in the UK or offered to the public in the UK in circumstances which require the publication of a prospectus under the UK Prospectus Regulation or the FSMA, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Prospective investors should have regard to the section headed "*Risk Factors*" starting on page 27 of this Prospectus for a discussion of factors which may affect the Issuer's ability to fulfil its obligations in respect of Notes issued under the Programme and factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States (the "**United States**" or "**U.S.**") and the Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes in bearer form, delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

Interests in a temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership.

Arranger

Citigroup

Phoenix accepts responsibility for the information contained in this Prospectus and (as applicable) the Final Terms relating to any Series of Notes. To the best of the knowledge of Phoenix, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Relevant third party information has been extracted from sources as specified in this Prospectus. Phoenix confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*" below), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Phoenix or the Arranger or any Dealer (as defined in "*Overview of the Programme*" below). Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of Phoenix since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of Phoenix 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.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of PR Exempt Notes) includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation"), for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of PR Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a

customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement in the case of PR Exempt Notes) may 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 is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the 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 any Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes (or Pricing Supplement in the case of PR Exempt Notes) may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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 Phoenix, the Arranger and the relevant Dealer(s) to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may include Notes in bearer form that are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, United States persons (as defined in Regulation S).

The Notes are being offered and sold outside the United States to non-United States persons in reliance on Regulation S. For a description of these and certain further restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission, any State securities commission in the United States or any other United States 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.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of Phoenix, the Arranger or any Dealer to subscribe for, or purchase, any Notes.

Save for Phoenix, no other person has separately verified the information contained herein. To the fullest extent permitted by law, none of the Arranger or any Dealer or the Trustee makes any representation, express or implied, nor accepts any responsibility for the accuracy or completeness of the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger, the Trustee or a Dealer or on its behalf in connection with Phoenix or the issue and offering of the Notes. The Arranger, the Trustee and each Dealer accordingly disclaims all and any liability to any investor whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement in connection with the offering of the Notes or their distribution. No Dealer shall be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Notes, or any other agreement or document relating to the Notes or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof. Neither this Prospectus nor any other information supplied in connection with the Programme or the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by Phoenix, the Arranger, the Trustee or any Dealer that any recipient of this Prospectus or any other information supplied in connection with the Programme or the Notes should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus or any other information supplied in connection with the Programme or the Notes and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Trustee, the Arranger or any Dealer undertakes to review the financial condition or affairs of Phoenix during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any Dealer, the Trustee or the Arranger.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series of which such Tranche forms part 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 of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the relevant Dealer(s) or any parent company or affiliate of the relevant Dealer(s) is a licensed broker or dealer in such jurisdiction, the offering shall be deemed to be made by the relevant Dealer(s) or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

Benchmark Regulation

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 as it forms part of domestic law by virtue of the EUWA (the "UK BMR"). If any such reference rate does constitute such a benchmark, the Final Terms or the Pricing Supplement, as applicable, 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 FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK BMR. Transitional provisions in the UK BMR 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 Final Terms or the Pricing Supplement, as applicable. The registration status of any administrator under the UK BMR 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 the Pricing Supplement, as applicable, to reflect any change in the registration status of the administrator.

IMPORTANT INFORMATION

Cautionary note regarding forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", "should", "aims", "seeks", "targets", "continues" and "anticipates" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's business, results of operations, financial position, prospects, dividends, growth, strategies and the asset management business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations, its financial position and dividends, and the development of the markets and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation:

- domestic and global economic, political, social, environmental and business conditions;
- asset prices;
- market-related risks such as fluctuations in investment yields, interest rates and exchange rates, the potential for a sustained low-interest rate or high-interest rate environment, and the performance of financial or credit markets generally;
- the policies and actions of governmental and/or regulatory authorities, including, for example, initiatives related to the financial crisis, COVID-19 (as defined below), climate change and the effect of the UK's version of the Solvency II (as defined below) regulations on the Group's capital maintenance requirements;
- the impact of changing inflation rates (including high inflation) and/or deflation;
- the medium and long-term political, legal, social and economic effects of COVID-19 (as defined below) and the UK's exit from the European Union (the "EU");
- the direct and indirect consequences on European and global macroeconomic conditions caused by the Russia-Ukraine war and related or other geographical conflicts;
- information technology or data security breaches (including the Group being subject to cyberattacks);
- the development of standards and interpretations including evolving practices in Environmental, Social and Governance ("ESG") and climate reporting with regard to the interpretation and application of accounting;
- the limitation of climate scenario analysis and the models that analyse them;

- lack of transparency and comparability of climate-related forward-looking methodologies;
- climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its targets);
- market competition;
- changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates);
- the timing, impact and other uncertainties of proposed or future acquisitions, disposals or combinations within relevant industries;
- risks associated with arrangements with third parties;
- inability of reinsurers to meet obligations or unavailability of reinsurance coverage;
- the impact of changes in capital, and implementing changes in IFRS 17 or any other regulatory solvency and/or accounting standards, and tax and other legislation and regulations in the jurisdictions in which members of the Group operate; and
- other factors discussed in the section of this document headed "*Risk Factors*".

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial condition, prospects, dividends, growth, strategies and the asset management business. Investors should specifically consider the factors identified in this Prospectus, which could cause actual results to differ, before making an investment decision. Subject to the requirements of the listing rules issued by the FCA under Part VI of FSMA (the "**Listing Rules**"), the UK Prospectus Regulation Rules of the FCA, Regulation (EU) No 596/2014 as it forms part of domestic law by virtue of the EUWA and the Disclosure Guidance and Transparency Rules produced by the FCA and forming part of the book and rules and guidance maintained by the FCA (the "**FCA Handbook**"), Phoenix undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in Phoenix's expectations or to reflect events or circumstances after the date of this Prospectus.

Presentation of financial information

Financial information in this Prospectus, unless otherwise stated, has been extracted without material adjustment from the Annual Report and Accounts of the Group for the years ended 31 December 2022 and 2021. Where information has been extracted from the consolidated historical financial information of the Group, the information is audited unless otherwise stated.

Unless otherwise indicated, financial information for the Group in this Prospectus and the information incorporated by reference into this Prospectus is presented in pounds sterling and has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board or international accounting standards which are adopted for use within the UK.

The financial information presented in a number of tables in this Prospectus has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly,

may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

References to "**Solvency II**" in this Prospectus are to the UK transposition of the Directive (Solvency II) (2009/138/EC) and the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of the European Union on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019, as they each form part of retained EU law (as defined in the EUWA), as amended from time to time and any additional measures adopted to give effect thereto (whether implemented by way of regulation, guidelines or otherwise).

Presentation of certain key performance indicators and targets

Certain key performance indicators and targets referred to in this Prospectus are unaudited non-GAAP measures that are used by the Group, including those described below:

- **Assets Under Administration:** The Group's assets under administration represents assets administered by or on behalf of the Group, covering both policyholder fund and shareholder assets. It includes assets recognised in the Group's IFRS consolidated statement of financial position together with certain assets administered by the Group for which beneficial ownership resides with customers.
- **Operating Companies' Cash Generation ("Operating Companies' Cash Generation"):** Cash remitted by the Group's operating companies to the Group's holding companies.
- **Solvency II Own Funds ("Own Funds"):** Own Funds are the aggregate of "basic Own Funds" (assets an insurer has on its balance sheet) and "ancillary Own Funds" (off-balance sheet resources that are loss absorbent, for example, unpaid share capital). All such assets are subject to eligibility criteria and weighting, as determined by reference to Articles 93 to 95 of Solvency II as well as to Articles 69 to 73, 76, 77, 79 and 82 of Commission Delegated Regulation (EU) 2015/35 as it forms part of domestic law by virtue of the EUWA. References to the Own Funds of a particular entity are references to the Own Funds held by an entity, whereas references to the Group's Own Funds, are references to the Own Funds within the scope of the Solvency II group.
- **Solvency Capital Requirement ("SCR"):** This is the standard Own Funds level that a UK life insurer is required to maintain by the United Kingdom Prudential Regulation Authority ("**PRA**"). A separate calculation also applies to Solvency II groups. SCR is determined by reference to a basic standard formula set out in Articles 103–111 of Solvency II (the "**Standard Formula**"), however, an insurer may agree an amendment to the Standard Formula to create a bespoke calculation which more accurately reflects the risks applicable to that insurer, that amendment is achieved by way of an internal model (the "**Internal Model**"). Own Funds held to meet the SCR requirement (and any additional amendment or add on approved by the PRA) are also referred to as "regulatory capital" and any reference to an increase or decrease in a regulatory capital requirement is a reference to an increase or decrease in the amount of regulatory capital an entity has to hold. The amount by which an SCR requirement is exceeded by Own Funds is referred to as the "**Solvency II Surplus**".
- **Solvency II Shareholder Capital Coverage Ratio ("Shareholder Capital Coverage Ratio"):** This is the ratio of Solvency II Own Funds to SCR, excluding Solvency II Own Funds and SCR of unsupported with-profit funds and Group pension schemes. Unsupported with-profit funds and Group pension schemes refer to those funds whose Solvency II Own Funds exceed their SCR. Where a with-profit fund or Group pension scheme has insufficient Solvency II Own Funds to cover its SCR, its Solvency II Own Funds and SCR are included within the Shareholder Capital Coverage Ratio calculation.

Solvency and Financial Condition Reports

The Group holds an approval under a waiver from the PRA to prepare a single Group-wide Solvency and Financial Condition Report that contains the required information for the Group, PLL, PLAL, SLAL, SLPF, RAL, RLL (each as defined below) and PA (GI) Limited. The Group Solvency and Financial Condition Report is incorporated by reference in this Prospectus. At present this waiver does not extend to SLIDAC and PLAE (as defined below) and as a consequence a separate Solvency and Financial Condition Report for that entity is also prepared and incorporated by reference in this Prospectus.

Currencies

In this Prospectus and the information incorporated by reference into this Prospectus, references to "£", "sterling" or "GBP" are to the lawful currency of the UK, references to "US dollars" or "U.S.\$", are to the lawful currency of the United States, and references to "Euro", "euro" or "€" are to the euro, the European single currency which was introduced at the start of the third stage of the European Economic and Monetary Union, pursuant to the Treaty establishing the European Community (as amended from time to time).

No profit forecast

No statement in this Prospectus is intended as a profit forecast and no statement in this Prospectus should be interpreted to mean that earnings per ordinary share of PGH (a "Share") for the current or future financial years would necessarily match or exceed the historical published earnings per Share.

Singapore SFA Product Classification

In connection with Section 309B of the Securities and Futures Act 2001 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).

Currency exchange rate information

Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in sterling. The functional currency of Phoenix is sterling, as is the reporting currency of the Group. Transactions not already measured in sterling have been translated into sterling in accordance with the relevant provisions of IAS21. On consolidation, income statements of subsidiaries for which sterling are not the functional currency are translated into sterling, the presentation currency for Phoenix at average rates of exchange. Balance sheet items are translated into sterling at period-end exchange rates. These translations should not be construed as representations that the relevant currency could be converted into sterling at the rate indicated, at any other rate or at all.

In addition to the convenience translations (the basis of which is described above), the basis of translation of foreign currency transactions and amounts contained in the audited and unaudited financial information included in this Prospectus is described therein and may be different to the convenience translations.

Insurance Group entities

References in this Prospectus to the "Insurance Group Parent Entity" are to Phoenix, or any other subsidiary or parent company of Phoenix which from time to time constitutes the highest entity in the relevant insurance group or other financial group for which supervision of group capital resources or solvency is required (whether or not such requirement is waived in accordance with the Relevant Rules (as defined in the relevant Conditions)) pursuant to the regulatory capital requirements in force from time to time. References to

the "**Insurance Group**" are to the Insurance Group Parent Entity and its subsidiaries (as such term is defined under section 1159 of the Companies Act 2006, "**Subsidiaries**").

In this Prospectus, "**Holding Companies**" refers to PGH, Phoenix Life Holdings Limited ("**PLHL**"), Phoenix Group Holdings (as defined below), Pearl Group Holdings (No. 1) Limited, Pearl Group Holdings (No. 2) Limited ("**PGH2**"), Impala Holdings Limited ("**Impala**"), Pearl Assurance Group Holdings Limited, Pearl Life Holdings Limited, ReAssure Group plc ("**ReAssure**") and ReAssure Midco Limited.

The Group has nine operating life insurance companies which hold policyholder assets: Phoenix Life Limited ("**PLL**"), Phoenix Life Assurance Limited ("**PLAL**"), Standard Life Assurance Limited ("**SLAL**") and Standard Life Pension Funds Limited ("**SLPF**")_(together the "**Phoenix Life Companies**"), ReAssure Life Limited ("**RLL**") (previously Old Mutual Wealth Life Assurance Limited) and ReAssure Limited ("**RAL**") (together the "**ReAssure Life Companies**"), Standard Life International Designated Activity Company ("**Standard Life International**" or "**SLIDAC**"), Phoenix Life Assurance Europe Designated Activity Company ("**PLAE**") and, as of 3 April 2023, Sun Life Assurance Company of Canada (U.K.) Limited (together with the ReAssure Life Companies, SLIDAC, PLAE and the Phoenix Life Companies, the "**Life Companies**"). References in this Prospectus to the Life Companies should only be construed as including Sun Life Assurance Company of Canada (U.K.) Limited from 3 April 2023 onwards.

In May and June 2023, the Group notified policyholders of its proposal to transfer the long-term insurance business of PLAL, SLAL and SLPF to PLL by way of a transfer pursuant to Part VII of FSMA (the "**PLL Part VII Transfer**").

Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement; (b) have access to and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (e) 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.

The Notes are complex financial instruments. An investment in the Notes may be considered by investors who are in a position to be able to satisfy themselves that the Notes would constitute an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the information contained in:

- (i) the 2022 Annual Report and Accounts published by the Issuer (except for the figures which are described therein as being stated on a "pro forma" basis, which shall not be deemed to be incorporated in, and shall not form part of, this Prospectus) (available at [https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/2023/Phoenix Group Annual Report and Accounts 2022.pdf](https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/2023/Phoenix%20Group%20Annual%20Report%20and%20Accounts%202022.pdf));
- (ii) the 2021 Annual Report and Accounts published by the Issuer (except for the figures which are described therein as being stated on a "pro forma" basis, which shall not be deemed to be incorporated in, and shall not form part of, this Prospectus) (available at [https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/reports-and-presentation/2021/Phoenix Group Full Year Results 2021.pdf](https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/reports-and-presentation/2021/Phoenix%20Group%20Full%20Year%20Results%202021.pdf));
- (iii) the Solvency and Financial Condition Report for the Issuer for the year ended 31 December 2022 (available at <https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/phoenix-group-solvency-and-financial-condition-report-31-december-2022.pdf>) (the "**Phoenix 2022 SFCR**");
- (iv) the Solvency and Financial Condition Report for the Issuer for the year ended 31 December 2021 (available at <https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/phoenix-group-solvency-and-financial-condition-report-31-december-2021.pdf>) (the "**Phoenix 2021 SFCR**");
- (v) the Solvency and Financial Condition Report for Standard Life International DAC for the year ended 31 December 2022 (available at [https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/Standard Life International dac part of the Phoenix Group Solvency and Financial Condition Report 31 December 2022.pdf](https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/Standard%20Life%20International%20dac%20part%20of%20the%20Phoenix%20Group%20Solvency%20and%20Financial%20Condition%20Report%2031%20December%202022.pdf)) (the "**SLIDAC 2022 SFCR**");
- (vi) the Solvency and Financial Condition Report for Standard Life International DAC for the year ended 31 December 2021 (available at <https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/standard-life-international-dac-solvency-and-financial-condition-report-31-12-2021.pdf>) (the "**SLIDAC 2021 SFCR**");
- (vii) the Solvency and Financial Condition Report for Phoenix Life Assurance Europe DAC for the year ended 31 December 2022 (available at [https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/PLAE Solvency and Financial Condition Report 2022.pdf](https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/solvency-and-financial-condition-report/PLAE%20Solvency%20and%20Financial%20Condition%20Report%202022.pdf)) (the "**PLAE 2022 SFCR**");
- (viii) the section entitled "Terms and Conditions of the Tier 2 Notes" set out on pages 132 to 176 of the prospectus dated 24 June 2019 in relation to the Programme (available at <https://www.thephoenixgroup.com/system/files/disclaimer-country-prospectus/phoenix-emptn-prospectus-june.pdf>);
- (ix) the announcement of the Issuer dated 4 August 2022 entitled "*Phoenix Group to acquire Sun Life UK*" (except for the figures which are described therein as being stated on a "pro forma" basis, which shall not be deemed to be incorporated in, and shall not form part of, this Prospectus) (available at

<https://www.londonstockexchange.com/news-article/PHNX/phoenix-group-to-acquire-sun-life-uk/15570393>);

- (x) the announcement of the Issuer dated 6 December 2022 entitled "*Phoenix Group delivers another year of strong organic growth in 2022 and sets a new 2025 organic growth target at its Capital Markets Event*" (available at <https://www.londonstockexchange.com/news-article/PHNX/trading-statement/15745030>); and
- (xi) the presentation published by the Issuer on 13 March 2023 entitled "*Full year 2022 results*" (except for slides 18, 19 and 20 and appendix 17, which shall not be deemed to be incorporated in, and shall not form part of, this Prospectus) (available at <https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/investors/results-reports-presentations/2023/Phoenix%20Group%20FY22%20Results%20Presentation.pdf>),

which have each been previously published and which have been approved by the FCA or filed with it. Such documents (or, in the case of (i) the documents set out in the below table, the sections referred to in the table only and (ii) the presentation described in paragraph (xi) above, the slides and appendices referred to in paragraph (xi) above only) shall be incorporated in and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall 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, except as so modified or superseded, constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of all documents incorporated by reference have been filed with the National Storage Mechanism or announced through a Regulatory Information Service and are available on Phoenix's corporate website at <http://www.thephoenixgroup.com> and are available free of charge at Phoenix's principal place of business at 20 Old Bailey, London, EC4M 7AN, United Kingdom.

Reference Document	Information incorporated by reference	Page number in the reference document
2022 Annual Report and Accounts of the Issuer		
	Group Chief Executive Officer's Report	10 – 13
	The discussion and analysis for the financial year ended 31 December 2022 contained in the " <i>Business Review</i> " section	28 – 41
	Directors' Report	147 - 152
	Independent Auditor's report	156 – 167
	Consolidated income statement	168
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	Statement of consolidated financial position	170 – 171
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Reference Document	Information incorporated by reference	Page number in the reference document
	Statement of consolidated cash flows	174
	Notes to the consolidated financial statements	175 – 289
	Additional Life Company asset disclosures	307 – 311
	Additional capital disclosures	312 – 313
	Glossary	320 – 324
2021 Annual Report and Accounts of the Issuer		
	Group Chief Executive Officer's Report	10 – 13
	The discussion and analysis for the financial year ended 31 December 2021 contained in the " <i>Business Review</i> " section	28 – 41
	Directors' Report	137 – 140
	Independent Auditor's report	144 – 154
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Solvency and Financial Condition Report for SLIDAC for the year ended 31 December 2021		3 – 86

SUPPLEMENTAL PROSPECTUS

If at any time the Issuer is required to prepare a supplemental prospectus pursuant to Article 23 of the UK Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplemental prospectus as required by the FCA and Article 23 of the UK Prospectus Regulation.

The Issuer has given an undertaking to the Dealers in the Programme Agreement (as defined in "*Subscription and Sale*" herein) that it will comply with Article 23 of the UK Prospectus Regulation and, if required by law, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms or Pricing Supplement. Words and expressions defined in "Terms and Conditions of the Senior Notes", "Terms and Conditions of the Tier 3 Notes" and "Terms and Conditions of the Tier 2 Notes" below shall, as appropriate, have the same meanings in this overview.

Issuer	Phoenix Group Holdings plc.
Issuer Legal Entity Identifier (LEI):	2138001P49OLAEU33T68
Website of the Issuer	www.thephoenixgroup.com
Description	Euro Medium Term Note Programme.
Size	Up to £5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger	Citigroup Global Markets Limited.
Dealers	The Issuer may from time to time appoint any institution as a Dealer either in respect of one or more Tranches or in respect of the whole Programme (each a " Dealer ", and together the " Dealers ") or terminate the appointment of any Dealer under the Programme in accordance with the Programme Agreement .
Trustee	Citibank, N.A., London Branch.
Issuing and Paying Agent	Citibank, N.A., London Branch.
U.S. Paying Agent	The Issuer may from time to time appoint a U.S. paying agent (the " U.S. Paying Agent ") under the Programme.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes 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 amount and date of the first payment of interest and date from which interest starts to accrue), 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 completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, date from which interest starts to accrue, 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 completed in the applicable final terms document (the " Final Terms ") or the applicable pricing supplement document (" Pricing Supplement ").
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Form of Notes

The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**").

Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year; otherwise such Tranche will be represented by a permanent Global Note. Global Notes may be issued in NGN form.

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee or a common nominee, as the case may be, for one or more clearing systems are referred to as "**Global Certificates**". Global Certificates may be issued in NSS form.

Clearing Systems

Clearstream, Luxembourg and Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.

Initial Delivery of Notes

On or before the issue date for each Tranche of Senior Notes, if the relevant Global Note represents Bearer Notes and is in NGN form, the relevant Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche of Senior Notes, if the relevant Global Certificates represent Registered Notes and are in NSS form, the relevant Global Certificates will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

On or before the issue date for each Tranche of Tier 2 Notes, Tier 3 Notes or Senior Notes (together, the "**Notes**") (if the relevant Global Note is in CGN form), the relevant Global Note representing Bearer Notes or the Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be 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. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies

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

Maturities

Subject to compliance with all relevant laws, regulations,

directives and requirements of the PRA, Dated Tier 2 Notes may have any maturity of no less than 10 years and Undated Tier 2 Notes will be perpetual and will not have a stated maturity.

Subject to compliance with all relevant laws, regulations, directives and requirements of the PRA, Tier 3 Notes may have any maturity of no less than 5 years.

Subject to compliance with all relevant laws, regulations and directives, Senior Notes may be issued with any maturity greater than one month.

Specified Denomination

Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that in the case of any Notes which are to be admitted to trading on a regulated market in the UK or offered to the public in the UK in circumstances which require the publication of a prospectus under the UK Prospectus Regulation or the FSMA, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) subject to the proviso above, unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination and redemption price of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms or Pricing Supplement and will be calculated on the basis of such Day Count Fraction as specified in the relevant Final Terms or Pricing Supplement.

Fixed Rate Reset Notes

Fixed interest will be payable at the Initial Rate of Interest in arrear on the Interest Payment Date(s) in each year for an initial period as specified in the relevant Final Terms or Pricing Supplement. Thereafter, unless a Benchmark Event has occurred, the interest rate may be recalculated on certain dates specified by reference to a Benchmark Gilt Rate, CMT Rate or Mid-Market Swap Rate for the relevant currency, and for a period equal to the Reset Period, as adjusted for any applicable margin, in each case as specified in the relevant Final Terms or Pricing Supplement.

Fixed to Floating Rate Notes

Interest on the Fixed to Floating Rate Notes will bear a fixed rate of interest during the period from (and including) the Interest Commencement Date to (but excluding) the Fixed Rate End Date specified in the relevant Final Terms or Pricing Supplement and from (and including) the Fixed Rate End Date will bear interest on the same basis as Floating Rate Notes.

Floating Rate Notes

Unless a Benchmark Event or Benchmark Transition Event (as

the case may be) has occurred, Floating Rate Notes will bear interest determined separately for each Series 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 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to a reference rate appearing on the agreed screen page of a commercial quotation service or by reference to a reference rate index rate appearing on the website of an index administrator, each as set out in the relevant Final Terms or Pricing Supplement, subject to Condition 4(n) of the Terms and Conditions of the Senior Notes, Condition 4(l) of the Terms and Conditions of the Tier 2 Notes and Condition 4(l) of the Terms and Conditions of the Tier 3 Notes,

in any such case as adjusted for any applicable margin specified in the relevant Final Terms or Pricing Supplement.

Zero Coupon Notes (Senior Notes only)

Zero Coupon Notes (as defined in "*Terms and Conditions of the Senior Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms or Pricing Supplement.

Redemption

The relevant Final Terms or Pricing Supplement will specify the basis for calculating the redemption amounts payable.

Redemption of Tier 3 Notes and Dated Tier 2 Notes prior to their stated maturity is subject to satisfaction of the Regulatory Clearance Condition as more fully described in "*Terms and Conditions of the Tier 3 Notes – Redemption, Substitution, Variation, Purchase and Options*" or "*Terms and Conditions of the Tier 2 Notes – Redemption, Substitution, Variation, Purchase and Options*" (as applicable).

Undated Tier 2 Notes are perpetual and have no Maturity Date and are only redeemable or repayable subject to satisfaction of the Regulatory Clearance Condition as more fully described in "*Terms and Conditions of the Tier 2 Notes – Redemption, Substitution, Variation, Purchase and Options*".

Benchmark Discontinuation

If a Benchmark Event or Benchmark Transition Event occurs, such that any Rate of Interest (or any component part thereof) cannot be determined by reference to the Original Reference Rate, then the Issuer may (subject to certain conditions) be

permitted to substitute such Original Reference Rate with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of the relevant Series of Notes and the application of an adjustment spread (which could be positive, negative or zero)). See "*Terms and Conditions of the Senior Notes – Interest and other Calculations – Benchmark Discontinuation*", "*Terms and Conditions of the Tier 2 Notes – Interest and other Calculations – Benchmark Discontinuation*", "*Terms and Conditions of the Tier 3 Notes – Interest and other Calculations – Benchmark Discontinuation*", "*Terms and Conditions of the Senior Notes – Interest and other Calculations – Benchmark Discontinuation – SOFR Benchmark Replacement*", "*Terms and Conditions of the Tier 2 Notes – Interest and other Calculations – Benchmark Discontinuation – SOFR Benchmark Replacement*", "*Terms and Conditions of the Tier 3 Notes – Interest and other Calculations – Benchmark Discontinuation – SOFR Benchmark Replacement*", as applicable, for further information.

Optional Redemption

The Final Terms or Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed at the option of the Issuer and/or (in the case of Senior Notes only) the holders and, if so, the terms applicable to such redemption. No Subordinated Notes may be redeemed at the option of the holders of such Notes.

Status of Senior Notes

The Senior Notes constitute direct, unconditional, unsubordinated and (subject to Condition 3(b) of the "*Terms and Conditions of the Senior Notes*") unsecured obligations of the Issuer.

Status of Subordinated Notes

The Tier 3 Notes will constitute unsecured and subordinated obligations of Phoenix and rank *pari passu* and without any preference among themselves. The claims of holders of Tier 3 Notes will rank in priority to the claims of holders of Tier 2 Notes and will rank junior to the claims of Senior Creditors of the Issuer (including holders of Senior Notes) in an Issuer Winding-Up and otherwise as set out in "*Terms and Conditions of the Tier 3 Notes*".

The Dated Tier 2 Notes will constitute direct, unsecured and subordinated obligations of Phoenix and rank *pari passu* and without any preference among themselves. The claims of holders of Dated Tier 2 Notes will rank junior to the claims of Senior Creditors of the Issuer (including holders of Senior Notes and Tier 3 Notes) in an Issuer Winding-Up and otherwise as set out in "*Terms and Conditions of the Tier 2 Notes*".

The Undated Tier 2 Notes will constitute direct, unsecured and subordinated obligations of Phoenix and rank *pari passu* and without any preference among themselves. The claims of holders

of Undated Tier 2 Notes will rank junior to the claims of Senior Creditors of the Issuer (including holders of Senior Notes, Tier 3 Notes and (unless an Undated Notes Parity Election has been made) Dated Tier 2 Notes) in an Issuer Winding-Up and otherwise as set out in "*Terms and Conditions of the Tier 2 Notes*".

**Solvency Condition –
Subordinated Notes**

In relation to each Series of Subordinated Notes, other than in circumstances where an Issuer Winding-Up has occurred or is occurring (subject to Condition 3(c) of the relevant Terms and Conditions), all payments under or arising from (including any damages awarded for breach of any obligations under) the Notes or the Trust Deed shall be conditional upon the satisfaction of the applicable Solvency Condition (as that term is described in Condition 3(d) of the relevant Terms and Conditions) at the time for payment by Phoenix and immediately thereafter.

**Interest Deferral –
Subordinated Notes**

Applicable to the Tier 2 Notes only: if Optional Interest Payment Date is specified, Phoenix may on any Optional Interest Payment Date defer payments of interest on the relevant Series of Tier 2 Notes as more fully described in "*Terms and Conditions of the Tier 2 Notes – Deferral of Payments*".

Applicable to all Subordinated Notes: Phoenix is required to defer any payment of interest on such Subordinated Notes on each Regulatory Deficiency Interest Deferral Date (being an Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing) as more fully described in "*Terms and Conditions of the Tier 2 Notes – Deferral of Payments*" and "*Terms and Conditions of the Tier 3 Notes – Deferral of Payments*" (as applicable).

**Arrears of Interest –
Subordinated Notes**

Any interest which is deferred in accordance with the Solvency Condition or mandatory deferral provisions contained in the Terms and Conditions of the Tier 3 Notes or the Tier 2 Notes or the optional deferral provisions contained in the Terms and Conditions of the Tier 2 Notes will, for so long as it remains unpaid, constitute Arrears of Interest. Arrears of Interest will not themselves bear interest and will be payable by Phoenix as provided in Condition 5(d) in respect of the Tier 2 Notes and Condition 5(c) in respect of the Tier 3 Notes.

**Redemption Deferral –
Subordinated Notes**

Phoenix is required to defer any scheduled redemption of Subordinated Notes (whether at maturity (if any) or if it has given notice of early redemption in the circumstances described below in Conditions 6(c), 6(d), 6(e), 6(f) and 6(g) of the relevant Terms and Conditions) if (i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the relevant Series of Subordinated Notes were redeemed, (ii) the relevant Series of Subordinated Notes cannot

be redeemed in compliance with the Solvency Condition, or (iii) (if then required) the Regulatory Clearance Condition has not been satisfied or redemption cannot be made in compliance with the Relevant Rules at such time. See "*Terms and Conditions of the Tier 3 Notes – Redemption, Substitution, Variation, Purchase and Options*" or "*Terms and Conditions of the Tier 2 Notes – Redemption, Substitution, Variation, Purchase and Options*" as applicable.

Negative Pledge – Senior Notes only

Applicable to Senior Notes only. See "*Terms and Conditions of the Senior Notes – Negative Pledge*".

Early Redemption – Subordinated Notes

The Subordinated Notes may, subject as provided in Condition 6 of the relevant Terms and Conditions, be redeemed at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date fixed for redemption and any Arrears of Interest at the option of Phoenix on any Optional Redemption Date (if any).

If so specified in the relevant Final Terms or Pricing Supplement, and if 75 per cent. or more of the aggregate principal amount of the Subordinated Notes originally issued has been redeemed and/or purchased and cancelled, the Subordinated Notes may, subject as provided in Condition 6 of the relevant Terms and Conditions, be redeemed at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date fixed for redemption and any Arrears of Interest at the option of Phoenix.

Early Redemption, Variation or Substitution for Taxation Reasons, Capital Disqualification Event and/or Ratings Methodology Event – Subordinated Notes

Upon the occurrence of a Tax Event, a Capital Disqualification Event, or a Ratings Methodology Event (if Ratings Methodology Call is specified) the Subordinated Notes may be (i) substituted for, or their terms varied so that they become, Qualifying Securities or Rating Agency Compliant Securities, whichever is relevant; or (ii) redeemed at the Special Redemption Price, together in each case with any accrued and unpaid interest and any Arrears of Interest, all as more particularly described in "*Terms and Conditions of the Tier 3 Notes – Redemption, Substitution, Variation, Purchase and Options*" or "*Terms and Conditions of the Tier 2 Notes – Redemption, Substitution, Variation, Purchase and Options*" as applicable.

Early Redemption – Senior Notes

The Senior Notes may be redeemed at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date fixed for redemption at the option of Phoenix on any Optional Redemption Date (if any).

The Senior Notes may, subject as provided in Condition 5(d) of the Senior Notes, be redeemed at their Optional Redemption Amount together with any interest accrued to (but excluding) the date fixed for redemption at the option of Phoenix if Phoenix becomes obliged to pay additional amounts in respect of

withholding tax.

If so specified in the relevant Final Terms or Pricing Supplement, and if 75 per cent. or more of the aggregate principal amount of the Senior Notes originally issued has been redeemed and/or purchased and cancelled, the Senior Notes may, subject as provided in Condition 5 of the Senior Notes, be redeemed at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date fixed for redemption, at the option of Phoenix.

See "*Terms and Conditions of the Senior Notes – Redemption, Purchase and Options*".

Pre-conditions to redemption, variation, substitution or purchase – Subordinated Notes

Any purchase of Subordinated Notes by Phoenix or any Subsidiary of Phoenix, any redemption of the Notes and any substitution or variation of the Notes will, if and to the extent then required by the Relevant Rules, be conditional upon: (i) each of Phoenix and the Insurance Group being in continued compliance with the Regulatory Capital Requirements (if any) applicable to them; (ii) Phoenix having complied with the Regulatory Clearance Condition and (iii) compliance with certain other applicable requirements of the Relevant Rules regarding redemption, purchase, substitution or variation (as the case may be) of the Notes as set out in the Terms and Conditions.

Enforcement Rights – Subordinated Notes

In respect of each Series of Subordinated Notes, if default is made by Phoenix for a period of 14 days or more in the payment of any amount due under the Notes, the Trustee at its discretion may, and if so directed by one fifth in principal amount of the relevant Series of Notes then outstanding or if so directed by an Extraordinary Resolution shall (having been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for the winding-up of Phoenix but may take no further or other action to enforce, prove or claim for any payment by Phoenix in respect of such Notes, the Coupons or the Trust Deed.

In respect of each Series of Subordinated Notes, if an Issuer Winding-Up occurs, the Trustee at its discretion may, and if so directed by one fifth in principal amount of the relevant Series of Notes then outstanding or if so directed by an Extraordinary Resolution shall (having been indemnified and/or secured and/or pre-funded to its satisfaction) prove in the winding-up or administration of Phoenix and/or claim in the liquidation of Phoenix, but (in either case) may take no further or other action to enforce, prove or claim for any payment by Phoenix in respect of such Notes, the Coupons or the Trust Deed.

In respect of each Series of Subordinated Notes, the right to institute winding-up proceedings in respect of Phoenix is limited to circumstances where a payment under the Notes has become due and has not been paid by Phoenix. For the avoidance of

doubt, unless an Issuer Winding-Up has occurred, no amount shall be due from Phoenix in those circumstances where payment of such amount could not be made in compliance with the Solvency Condition or is deferred in accordance with Condition 5(a) (if applicable), 5(b), 6(b) or 6(j) in respect of the Tier 2 Notes and Condition 5(a), 6(b) or 6(j) in respect of the Tier 3 Notes.

Withholding Tax

The Issuer will pay such additional amounts in relation to principal (in respect of Senior Notes only), interest and Arrears of Interest as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature required by law in a Relevant Jurisdiction upon payments made by or on behalf of the Issuer in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding or deduction, subject to customary exceptions – see "*Terms and Conditions of the Senior Notes*", "*Terms and Conditions of the Tier 3 Notes*" and "*Terms and Conditions of the Tier 2 Notes*".

Substitution of obligor

The Terms and Conditions of the relevant Notes permit the Trustee to agree to the substitution in place of the Issuer of a Substituted Obligor without the consent of the Noteholders. Furthermore, if Insurance Group Parent Entity Automatic Substitution is specified as being applicable in the relevant Final Terms or Pricing Supplement in respect of any Series of Notes, the Issuer may, without the consent of Noteholders, at its option, procure that the Insurance Group Parent Entity is substituted under the Notes and the Trust Deed as issuer of the Notes in place of the Issuer if the Issuer ceases, has ceased or, on the date of the substitution, will cease to be the Insurance Group Parent Entity for any reason.

Meetings of Noteholders

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

Governing Law

English law

Listing

Applications have been made to list Notes (other than PR Exempt Notes) issued under the Programme for the period of 12 months from the date of this Prospectus on the Official List and to admit them to trading on the Market. PR Exempt Notes may be unlisted and/or may be admitted to trading on another market or stock exchange, as set out in the applicable Pricing Supplement.

Ratings

Tranches of Senior Notes, Tier 3 Notes, Dated Tier 2 Notes and Undated Tier 2 Notes may be rated or unrated. 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. Whether or not each/any rating applied in relation to a Series of Notes has been issued by a credit rating agency established in the UK and registered under the UK CRA Regulation will be disclosed in the relevant Final Terms.

Selling Restrictions

U.S., EEA, UK, France, Republic of Italy, Hong Kong, Singapore and Switzerland. See "*Subscription and Sale*".

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

The Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**D Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Code) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules 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 as a transaction to which TEFRA is not applicable.

RISK FACTORS

PGH believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme.

Factors that PGH believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

PGH believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme. However, it may be unable to pay interest, principal or other amounts, on or in connection with any Notes for other reasons and it does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP

Economy and Financial Markets

The Group's business is subject to risks arising from economic conditions in the UK and other markets in which it operates or in which its and its policyholders' investments are invested and from risks arising from the UK's exit from the EU, also known as "Brexit" and any possible future further referendum on Scottish independence.

The Group's business is subject to risks arising from general and sector-specific economic conditions in the markets in which it operates or invests, particularly the UK, in which the Group's earnings are and will be predominantly generated and in which its and its policyholders' investments are predominantly invested. Although under drawdown or accumulation policies, investment risks are often borne, in whole or in part, by its policyholders in accordance with the terms of the relevant policies, fluctuations in investment markets and the general rate of inflation will, directly and indirectly, affect the financial position of the Group including its value, reserving and regulatory capital requirements and results. In addition, the Group bears risk in respect of products where the benefits are not aligned with the investment performance of the assets which support them. Substantial decreases in the value of investments could lead to the shareholder capital of the Life Companies being required to meet obligations to policyholders and reserving and regulatory capital requirements and could restrict the ability of the Life Companies to make distributions or, where applicable, release capital to service debt. Decreases in the value of investments may lead to policyholders terminating their policies with the Group as they may seek to reduce their exposure to the Group's investments. Decreases in the value of investments could also require further capital to be held to cover pension scheme obligations.

The Group bears certain risks in relation to with-profit policies, which relate to its proportion of total with-profit bonus declarations for the relevant fund that the Group is entitled to receive (maximum of 10 per cent.). A decrease in with-profit bonus declarations could cause policyholders to lapse as policyholders seek to maximise their returns which could lead to a fall in profits for the Group. Furthermore, if losses in the Group's with-profit funds are substantial enough to cause the value of the assets of the with-profit funds to fall below the contractual commitments to policyholders, the Group will be required to contribute the additional capital to meet those policyholder liabilities and such losses could affect the Group's ability to release capital to pay dividends to its shareholders.

The UK left the European Union on 31 January 2020. On 1 January 2021, the EU-UK Trade Agreement came into effect and was given legal effect from 1 January 2021 when it was approved by the European Council

and European Commission. The EU-UK Trade Agreement is limited in its scope with respect to financial services. The EU-UK Trade Agreement was subsequently ratified by the European Parliament on 28 April 2021. On 26 March 2021, the EU Commission and UK government confirmed that they had reached a memorandum of understanding (the "**Memorandum**") with respect to financial services. The Memorandum would create a UK-EU Financial Regulatory Forum, which would shape rules for the financial sector. As of the date of this Prospectus, the Memorandum has not yet been signed, and its effect on the Group's business and the regulatory regime in which it operates may change as a result of steps taken under the Memorandum in the future. The Group's business and financial position could be adversely impacted by such changes.

The global macro-economic environment remains highly uncertain. The Russia-Ukraine conflict and rapid increase in inflation thereafter resulted in increased market volatility during the course of 2022, with the potential for stagflation across developed economies. The longer-term impacts of the conflict are unknown, particularly on the cost and availability of commodities and food, which could continue to hamper the recovery post COVID-19 (as defined below). Economic conditions in the UK and other markets, including Europe, in which the Group operates or in which the Group's or their policyholders' investments are invested, could therefore have a material adverse effect on the Group's business, results, financial condition and prospects.

SLAL is a company registered and situated in Scotland. Scotland's former First Minister, Nicola Sturgeon, had previously called for a further referendum on Scottish independence from the rest of the UK and it is unclear whether the current First Minister will pursue this further. But on 23 November 2022, the UK Supreme Court ruled that the Scottish parliament cannot hold a second independence referendum without the approval of the UK Parliament sitting in Westminster as the matter relates to reserved matters. Given this, and Nicola Sturgeon's resignation as First Minister, it is uncertain whether there will be continued efforts to call for a future referendum and whether any such referendum will in fact occur, what the outcome would be, and, if a referendum occurred and Scotland voted to leave the UK, what Scotland's future relationship with the rest of the UK and the EU would be. The consequences of a potential future referendum on the economy and the SLAL businesses are therefore uncertain.

Significant declines in equity markets, bond markets or property prices, or significant movements in swap yields relative to gilt yields, could have an adverse effect on the Group.

As at 31 December 2022, funds of the Life Companies were invested as follows: 44 per cent. in government, supranational, corporate debt and other fixed income securities; 7 per cent. in cash and cash equivalents; 43 per cent. in equity securities; 3 per cent. in property; and 3 per cent. in other investments.

Although, subject to certain guaranteed benefits (see paragraph below), policyholders bear most of the impact of falls in equity, debt and property values in accordance with the terms of their policies, significant decreases in the market prices of the Group's equity, debt and property investments could reduce the amounts available to fund its long-term policyholder obligations. This, in turn, could increase liquidity risks and could lead to shareholder capital of the Life Companies being retained or shareholder capital available within the Group being required to be injected into the Life Companies to meet obligations to policyholders and regulatory capital requirements. Further capital could also be required to cover the Group's pension scheme obligations (see "*Internal Operations and Management—The Group may be required to make further contributions, in addition to those already agreed, to its defined benefit pension schemes for employees if the value of or cashflows from pension fund assets is not sufficient to cover future obligations under the schemes*" below).

Certain of the benefits due to policyholders do not track the performance of the underlying investments held in respect of their policies, in particular some of the Group's annuity policies, protection policies, with-profit policies and a number of the Group's unit linked policies offer guaranteed benefits which are uncorrelated to investment performance. These policies increase the Group's financial exposure to investment risk because

members of the Group are exposed to the mismatch between performance and the benefits it has to offer policyholders. The Group has implemented hedging arrangements which seek to protect it to an extent against declines in equity markets but not all investment exposure is hedged and it may not be possible, feasible or desirable to hedge such exposure in the future. To the extent that these exposures have not been hedged, the Group may have to meet the mismatch between the benefits to be paid under the policies and the performance of the underlying assets. Relative movements in credit spreads, gilt yields and swap yields may affect the calculated value of the assets and liabilities of the Group and different financial and actual metrics which are applied to the Group will respond in different ways. For example, the market value of the Group's holdings in gilts will move in line with changes in gilt yields, whereas the Group's holdings in certain other assets such as swaps, swaptions and other derivatives will move in line with swap yields. For reporting under Solvency II, and the calculation of reserving and regulatory capital, the Group's liabilities generally move in line with swap yields. Changes in the relative swap yields versus gilt yields could therefore have adverse impacts on the Group's regulatory capital position and its Own Funds, and the impacts may not move in a linear fashion. The Group implements hedging arrangements which seek to partially mitigate some changes in relative yields but not all exposure is hedged and it may not be possible, feasible or desirable to hedge all such exposures in the future. Similarly, movements in credit spreads may also adversely impact on the Group's capital and profit positions. Asset valuations change by reference to the entire change in the credit spread, whereas the liability calculation may not reflect fully or may not reflect at all the movement in credit spread, depending on the type of business and the metric being considered.

As at 31 December 2022, the Group holds within its shareholder and non-profit funds a portfolio of £10,789 million (comprising equity release mortgages, local authority loans, commercial real estate loans, corporate and project finance infrastructure debt, loans guaranteed by export credit agencies, supnationals, loans to housing associations and private corporate credit), and the Group's business plan targets further material investments in illiquid credit assets in the future. Therefore, there is also a risk that the Group is unable to source the desired volume of illiquid assets to support its business plans. The Group's equity release mortgages portfolio as at 31 December 2022 consisted of an average loan to value ratio of 31 per cent., an average policy holder age of 75 years and an average time to redemption of 10 years. The equity release mortgages that were originated from 1 January 2022 to 31 December 2022 consisted of an average loan to value ratio of 31-33 per cent., an average policy holder age of 72 years and an average time to redemption of 12 years. A significant decline or sustained future declines in UK residential house prices could cause losses on the equity release mortgages portfolio, which is secured on residential property and, as at 31 December 2022, represented £3,934 million of the Group's assets. Future adverse deviations in the mortality or voluntary repayment experience of lifetime mortgage borrowers could also cause losses on the equity release mortgages portfolio. The performance of the Group's illiquid credit asset portfolio is sensitive to movements in interest rates, credit spreads, credit default experience and illiquidity of relevant assets.

Other EU countries may seek to conduct their own referenda on their continuing membership of the EU or other issues (for example, Catalonian independence). Brexit, other referenda, political instability or increased geopolitical tensions could adversely affect UK, European or worldwide economic or market conditions and could contribute to instability and volatility in global financial markets, which could act as a drag on the relative valuations of UK equities or other companies making use of the European single market, with a negative impact on insurers, such as the Group whose assets are exposed to UK and other markets. Economic and political instability may also impact on foreign exchange and interest rates, which will also have an impact on the value of an insurer's investment portfolio, or any collateral that it holds. The Group's European business will generate profit in Euros and will accordingly be exposed to any devaluation in the currency.

Any significant declines in equity markets, bond markets, interest rates (including for sovereign debt) or property prices, or significant movements in swap yields relative to gilt yields or credit

spreads/migration/default, and corresponding changes to reserving and regulatory capital requirements, could therefore have a material adverse effect on the Group's business, results, financial condition and prospects.

Defaults in relation to investments and financial investments and by counterparties may adversely affect the Group.

The Group is exposed to counterparty risk. Such counterparty risk may be manifested in deterioration in the actual or perceived creditworthiness of, or default by, issuers of the securities or other financial instruments forming part of the Group's investments, or borrowers of loans (including commercial real estate loans and infrastructure loans issued by one of the Group's businesses as part of the Group's investments). For instance, assets held to meet obligations to policyholders include corporate bonds and other debt securities. Counterparty risk may also include the risk of counterparties failing to meet all or part of their obligations, such as reinsurers failing to meet obligations assumed under reinsurance arrangements, or bulk purchase agreements or derivative counterparties or stock-borrowers failing to pay as required. Counterparty defaults would negatively impact the Group's operations and customer relationships and, as a consequence, could have a material adverse effect on the Group's business, results, financial condition and prospects. An increase in credit spreads/migration, particularly if it is accompanied by a higher level of issuer defaults, could have a material adverse impact on the Group's financial condition although some of this risk is shared with policyholders.

Furthermore, securities which have been loaned could be redelivered and it may then prove difficult or impractical to return collateral held against those securities in the event that this collateral had been reinvested in assets which have become illiquid.

In the event of a counterparty becoming distressed or insolvent the applicable insolvency regime and/or regulatory resolution regime may apply, potentially resulting in the Group receiving less than a full recovery in respect of amounts due to it. In addition, in the case of bulk purchase annuity agreements (some of which are high value contracts), the Pension Protection Fund, as established under the Pensions Act 2004, may adjust the relevant contract or the liabilities under the contract, potentially resulting in negative outcomes for the Group.

Additionally, the underlying collateral supporting a counterparty's securities-redelivery obligation could be invested by collateral managers in a manner that breaches the terms of their investment mandates, causing the Group to incur losses on its securities-lending transactions, with potential material adverse effects on the Group's business, results, financial condition and prospects.

Competition, regulatory restrictions and an inability to raise acquisition financing in the future may make it difficult for the Group to execute its M&A strategy and future acquisitions and disposals, which could have an adverse effect on the Group.

The Group's strategy includes the disciplined acquisition of companies and portfolios as a means to grow the business, create additional value from scale advantages and develop additional capabilities.

The Group's ability to acquire life companies and portfolios will depend upon a number of factors, including its ability to identify suitable acquisition opportunities, its ability to consummate acquisitions on favourable terms and the Group's ability to obtain financing to make acquisitions and support growth (for example, through new business or bulk purchase arrangements). Additionally, the Group's ability to obtain required regulatory consents from the FCA and PRA and other relevant regulatory authorities for acquisitions, disposals and insurance business or portfolio transfers (including under Part VII of FSMA) will depend on, amongst other things, the financial condition of the Group, the financial implications of any acquisition of the Group, the impact of such implications on new and existing policyholders and wider risks to policyholder security. The requirement of the Group to obtain required regulatory consents from the FCA and PRA could

have an impact on the timing and cost of any potential acquisitions, which in turn could have a material adverse effect on the ability of the Group to integrate its acquired companies following acquisition. See “*Risks relating to integration following acquisitions*”.

There are many other potential purchasers for companies, including life fund consolidators, insurance companies and private equity firms, which may result in increased competition (and therefore higher prices paid). External factors which influence sector participants' decisions to seek to dispose of their insurance interests could also impact the Group's ability to make acquisitions.

In connection with any future acquisitions, the Group may experience unforeseen difficulties as it integrates the acquired companies and portfolios into its existing operations. These difficulties may require significant management attention and financial resources.

In addition, future acquisitions involve risks more generally, including:

- due diligence investigations not identifying material liabilities or risks within the acquired business or adequately assessing the value of the acquired business;
- difficulties in integrating the risk, financial, technological and management standards, processes, procedures and controls of the acquired business with those of the Group's existing operations;
- impact of integrating acquisitions into the Group's Solvency II Internal Model and aggregate Group regulatory capital requirements;
- challenges in managing the increased scope and complexity of the Group's operations;
- triggering or assuming liabilities, including employee pension liabilities;
- failure to achieve the anticipated benefits and synergies from acquisitions;
- distraction of management from existing businesses;
- unexpected losses of key employees of the Group and the acquired business;
- the value of any acquired business being less than the consideration paid as a result of adverse events affecting the value;
- changing the structure of the Group which may result in a reduction in brought forward tax losses; and
- PGH being placed under negative watch by rating agencies or losing its investment grade rating due to the inherent risks of acquisitions such as an increase in leverage ratio and decrease in solvency (based on Fitch Ratings Limited's capital model).

If the Group decides to dispose of a company which it owns or the business or assets of such a company, such as a block of annuities, there is no guarantee that it will find a purchaser for such a company, business or assets, or that a potential purchaser will have the same view of the value of such company, business or assets. In addition, significant acquisitions and disposals by the Group are likely to require regulatory approval and/or the consent of the Group's bank lenders for material disposals and there can be no assurance that the Group would be able to obtain such approvals or consents. Any of these factors may mean that the Group is unable to realise the target value of such company, business or assets.

If the Group is unable to acquire additional life companies and portfolios in line with its strategy or successfully meet the challenges associated with any future acquisitions or disposals, this could have a material adverse effect on the Group's business, results, financial condition and prospects.

The Group may be adversely affected by changes in interest rates and inflation risks.

The Group's exposure to interest rate and inflation risks relates primarily to the variability of market prices and cashflow of assets relative to liabilities associated with changes in interest and inflation rates.

The Group's obligations to pension schemes and policyholders vary as interest rates fluctuate as they are discounted based on the level of long-term interest rates. As a result, although interest rates are currently rising, a future reduction in long-term interest rates or negative interest rates would increase the amount of the Group's liabilities. The Group attempts to match a significant proportion of its liabilities with assets whose sensitivity to interest rates is the same as, or similar to, that of the underlying liabilities. However, to the extent that such asset-to-liability matching is not practicable or fully achieved, there may be differences in the impact of changes in interest rates on assets and liabilities, which could have a material adverse effect on the Group's business, results, financial condition and prospects. Inflationary pressures are becoming more constant. The UK Consumer Prices Index rose by 8.7 per cent. in the 12 months to April 2023 and could remain at elevated levels throughout much of 2023. Rising inflation rates could also have an adverse impact on the Group primarily as a result of increased pension scheme obligations or where a Group member holds policies which afford policyholders inflation-linked benefits, as well as through any impact on its operating cost base.

The Group's with-profit funds are exposed to additional interest rate risk as the funds' guaranteed liabilities are valued based on market interest rates, with the funds' investments including fixed-interest investments and derivatives. As a result, future declines in interest rates or negative interest rates could materially decrease the amount of distributions from the Group's with-profit funds which are available to policyholders or shareholders, and this could have a material adverse effect on the Group's business, results, financial condition and prospects.

The Life Companies are required to hold a risk margin under Solvency II. This risk margin will increase significantly if there is a material fall in long-term interest rates. It is expected they would be able to offset the impact of such a fall through applying to the PRA for a recalculation of the transitional measures on technical provisions. If the PRA does not approve such a recalculation, then the impact of such a fall would be greater.

Movements in interest rates can impact the price of fixed rate debt or the interest cost of variable rate debt (if any). For some time preceding the recent increases in interest rates, the Group had been operating in a low interest rate environment. Monetary policy decisions taken by global central banks to control inflation have increased both short term interest rates and the yields on longer term government bonds. A prolonged period of rising inflation and interest rates may develop into slow or stagnant economic growth if combined with slowing economic expansion and elevated unemployment. On 2 February 2023, the Bank of England projected that the UK's GDP will fall slightly throughout 2023 and Q1 2024. The current cost of living crisis and rising inflation will impact the lives of the Group's customers, particularly those most vulnerable, which may lead to increased policy lapses or surrenders, and surrenders of policies may increase as policyholders seek higher returns and higher guaranteed minimum returns. Obtaining cash to satisfy these surrenders may require the Group to liquidate fixed maturity investments at a time when market prices for those assets are depressed which may result in realised investment losses. This could, in the absence of other countervailing changes, cause a material increase in the net loss position of the Group's investment portfolio, which could have a material adverse effect on the Group's business, results, financial condition and prospects.

Any downgrade of the credit rating of the Group or its rated subsidiaries could increase the borrowing costs of the Group and/or its relevant subsidiaries, weaken the Group's market position, weaken the Group's capital position and/or weaken the Group's liquidity position.

Given the existing indebtedness in the Group and its acquisitive nature, the Group is dependent on its ability to access the capital markets and its cost of borrowing in these markets is influenced by the credit rating

supplied by Fitch Ratings Limited. Any downgrading of the credit rating could increase the Group's borrowing cost and may weaken its position in the market. Changes in the methodology and criteria used by Fitch Ratings Limited could result in downgrades that do not reflect changes in general economic conditions or the financial condition of the Group.

The occurrence of epidemics and pandemics may affect the Group's business.

The Group's business could be affected by current and future pandemics and their consequential impacts on population mortality, longevity and morbidity and their impacts on financial markets. Specifically, the disease caused by the novel coronavirus ("**COVID-19**") was declared a pandemic (and references to "COVID-19" below shall be construed as references to the COVID-19 pandemic) by the World Health Organisation in March 2020. Since then, a number of mutations and variations of COVID-19 have emerged, including mutations that have resulted in a higher transmissibility of the COVID-19 virus. As at the date of this Prospectus, COVID-19 has had a materially adverse impact on the global economic environment and the markets in which the Group operates.

The COVID-19 pandemic caused disruption to the Group's customers, suppliers and employees. The jurisdictions in which the Group operates have imposed a number of measures designed to contain the outbreak, including the following at times: business closures, travel restrictions, stay-at-home orders and prohibition of gatherings and events, with a resultant negative impact on the Group's operations. The Group implemented actions to maintain business continuity for its staff and customers in response to these restrictions, including implementing the capability to work from home for employees. The changes made to the Group's operating model to move to flexible working in response to COVID-19 increase the risk of operational losses arising from sources such as pricing errors, claims processing errors and fraud. At the date of this Prospectus it remains unclear whether customer needs may evolve as a result of COVID-19, which could affect the nature of the Group's customer risk exposures.

The unprecedented impact of COVID-19 on the global economy caused significant volatility and declines in global financial markets. In the longer-term, if there is further emergence of diseases that give rise to similar effects to those of COVID-19, macroeconomic conditions may be materially and adversely affected and may lead to a further economic downturn in the countries in which the Group operates and impact the long-term performance of the Group's asset portfolio. The Group's credit portfolio remains exposed to the risk of credit rating downgrades and credit defaults that could arise as a result of the lasting impact of COVID-19 on businesses.

Actions taken by central banks and/or supervisory authorities in response to future pandemics could potentially impact the Group's business. For example, in March and April 2020 supervisory authorities, including the European Insurance and Occupational Pensions Authority ("**EIOPA**") and the PRA, responded to the impact of COVID-19 by publicly urging insurance groups to suspend (in the case of EIOPA), or remain prudent on (in the case of the PRA), ordinary share dividend payments to shareholders. In declaring or paying dividends, the PRA has stated that it requires boards pay close attention to the need to protect policyholders and to maintain their safety and soundness, informed by a range of evolving scenarios, including very severe ones. There is also a risk that supervisory authorities could introduce additional guidance, conditions or binding restrictions in relation to solvency capital requirements, distributions and/or liquidity which could limit the flexibility of the Group in relation to solvency, capital, liquidity and asset management and its business strategy.

The effect of future pandemics on operations and market conditions could also impact the Group's ability to execute its business strategy, including the execution of further mergers and acquisitions, integration of past acquisitions, execution of bulk annuity transactions and the origination of new business and sourcing of

illiquid credit assets. The impact of future pandemics on capital markets could also affect the Group's financing arrangements and liquidity position.

The potential long-term impact on the health of those in the population who have suffered from COVID-19, particularly with respect to those who have suffered from 'long-COVID' is unknown and could result in a prolonged increase in population mortality and morbidity which could impact the insurance underwriting experience on the Group's life insurance business. Supervisory authorities may also interpret their own regulatory policies and expectations so as to require, or strongly encourage, payments to be made on insurance or protection policies or the Group's protection contracts, including life assurance and critical illness cover in circumstances where payments would not otherwise be required under the contractual terms of the relevant policy.

The impact of past events on the medium and long-term outlooks remains uncertain. There may already be longer term economic impacts from past lockdowns and other restrictions, as well as structural changes to society and the markets in which the Group operates. As a result, any future epidemics or pandemics may have a material adverse effect on the Group's solvency ratios, solvency surplus, business, ability or appetite to make distributions, results, financial condition and prospects.

Liquidity risk may adversely affect the Group.

Liquidity risk in its broadest sense can be defined as failure to maintain adequate levels of financial resources to meet short-term obligations as they fall due. The Group's liquidity requirements can be described as potential cash outflows in relation to known and potential cash flows, including without limitations in respect of policyholder claims, collateral calls, finance costs and other expenses. Without access to sufficient liquidity, the Group may fail to meet its obligations when they fall due. The Group seeks to hold appropriate assets in quantum and quality to meet different requirements over different time horizons. Certain market conditions may reduce the available sources of liquidity, which could reduce the capacity of Phoenix to write new business or, in a more extreme scenario, continue as a going concern.

The liquidity of the Group is monitored by assessing available liquidity and comparing it to prudent liquidity buffers, for the current period as well as a 12-month projection. The projection provides an early warning of potential of shortfalls in liquidity. A schedule of potential contingent actions is also maintained which could increase available liquidity or reduce liquidity needs. These actions vary as to ease of execution and the extent to which they may be unattractive or involve other adverse implications. The range of options is considered at times of potential stress to ascertain the most appropriate action(s) for each scenario. The Group assumes that market moves could cause the value of derivatives to move adversely and require collateral to be posted in relation to derivatives held. Explicit early warning indicators are maintained to highlight potential collateral outflows. Other liquidity risks are also monitored, for example the risks of mass lapse and mortality, which could bring forward or increase the Group's cash outflows.

Failure to maintain adequate liquidity could have a material adverse effect on the Group's business, results, financial condition and prospects.

Risks relating to integration following acquisitions

The Group may be unable to integrate past or prospective acquisitions successfully and/or in a timely manner, which could materially adversely affect the Group's growth.

Acquisitions may strain the Group's management and financial resources. Among the risks associated with the integration of acquisitions that could materially adversely affect the Group's growth, are the following:

1. the Group may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, such as costs and issues relating to monitoring, hiring and training of new personnel or the integration of accounting and internal control systems;
2. Information Technology ("IT") infrastructure and data elements of the integration process may fail or not be managed so as to achieve the Group's operational objectives;
3. the Group may incur costs associated with revamping or rebranding newly acquired businesses or developing appropriate risk management and internal control structures for operations in a new market, or understanding and complying with a new regulatory scheme;
4. increased investments may be needed in order to understand new markets and follow trends in these markets in order to effectively compete; and
5. an acquisition may not achieve anticipated synergies or other expected benefits, including as a result of the termination of material contracts of the target business due to change of control mechanisms in place.

Following the integration of an acquired business into the Group, such acquired business may not be able to generate the expected margins or cash flows. For further information on the risks associated with acquisitions more generally, see "*Risks Relating to the Group – Economy and Financial Markets—Competition, regulatory restrictions and an inability to raise acquisition financing in the future may make it difficult for the Group to execute its M&A strategy and future acquisitions and disposals, which could have an adverse effect on the Group*" below.

The Group's success will be dependent upon its ability to integrate any businesses it purchases into its existing businesses. The Group has limited management resources and thus may become distracted or overstretched by the process of migrating/transitioning acquisitions and managing the Group.

The Group completed the Sun Life Acquisition (as defined in the "*Information on the Group – History*" section) on 3 April 2023 and has moved to transition the Sun Life Assurance Company of Canada (U.K.) Limited business into the Group. Sun Life Assurance Company of Canada (U.K.) Limited operates a predominantly outsourced business model with the majority of its policy administration already undertaken by the Group's strategic outsourcing partner (TCS Diligenta), which supports a simplified operational integration programme which is expected to complete around 12 months from the completion date. Significant existing resources are being used to complete the SLAL and ReAssure integrations.

The Group continues to develop its partnership with TCS to support its strategic deliverables, and further customer migrations to the TCS BaNCS™ platform are planned through to 2026. The transition of acquired businesses into the Group, including customer migrations, could introduce structural or operational challenges that, without sufficient controls, could result in the Group failing to deliver the expected outcomes for customers or value for shareholders. Similar considerations may also be relevant in respect of any future acquisitions entered into by the Group. To the extent that the Group's management is unable to efficiently transition the various operations within proposed timeframes, realise anticipated cost reductions, retain qualified personnel or customers and avoid unforeseen costs or delay, there may be an adverse effect on the business, results of operations, financial condition and/or prospects of the Group. There is a risk that the challenges associated with migration and integration or transition under any of the circumstances above, and/or those associated with other actual or potential acquisitions, may result in overstretch of management and the deferral or reduced effectiveness of certain planned management actions. Consequently, the Group's business may not perform in line with management expectations, which could have a material adverse effect on the Group's business, results, financial condition and prospects.

Regulatory Risks

Regulatory capital and other requirements may change.

Since 1 January 2016, the Life Companies have been required to carry out regulatory capital calculations under Solvency II, as described in "*Regulatory Overview – Solvency II*". The supervision of the regulatory capital requirements of those Life Companies authorised in the UK is carried out by the PRA and the Central Bank of Ireland (the "**CBI**") carries out the same function for SLIDAC and PLAE. Any existing regulations may be amended in the future or new regulations may be implemented in light of the UK leaving the EU as discussed above. A present implication given that EU law has ceased to apply in the UK is that there is no delegated act determining that the prudential regime in the UK is equivalent to that under Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 (as amended) (the "**Solvency II Directive**"). As a result, the CBI is now required to apply group supervision under the Irish implementation of the Solvency II Directive to SLIDAC at the level of PGH, which may result in additional regulatory oversight of the Group. Another point to note in relation to potential changes is that the regulatory capital and/or reserving position applicable to certain of the Life Companies may be modified by four matters which are within the PRA's discretion and which certain of the Life Companies could lose the benefit of: (i) the Solvency II Internal Model; (ii) the Matching Adjustment (as defined in the paragraph below); (iii) the Volatility Adjustment (as defined in the paragraph below); and (iv) the application of transitional measures, as described in the paragraphs below.

- *Internal Model:* Effective 30 September 2021, the PRA approved an agreed methodology and model to calculate the Group SCR for PGH pursuant to Solvency II (the "**Solvency II Internal Model**") covering all Group entities (excluding the ReAssure Companies (as defined below), PLAE, SLIDAC and Sun Life Assurance Company of Canada entities). As at the date of this Prospectus, the SCR for the ReAssure Companies and Sun Life Assurance Company of Canada entities is calculated in accordance with the Standard Formula. Eventually, the Group intends to bring the ReAssure Companies and Sun Life Assurance Company of Canada entities into the scope of its harmonised Solvency II Internal Model. Since 30 June 2022, SLIDAC calculates its entity-level SCR in accordance with its Partial Internal Model which has been approved by the CBI. However, in the Group SCR, SLIDAC continues to be assessed under the Standard Formula.
- *Matching Adjustments:* Generally, the Life Companies apply a "matching adjustment" to certain long-term liabilities that are closely matched by an assigned matching adjustment portfolio of assets of equivalent nature, term and currency ("**Matching Adjustment**"). The Matching Adjustment is subject to strict criteria and ongoing compliance in relation to maintenance of close matching, asset and liability characteristics and segregation of the management of the assigned matching adjustment portfolios. The Life Companies authorised in the UK have permission from the PRA to apply the Matching Adjustment in respect of certain agreed portfolios of liabilities, thereby reducing the reserves and capital requirements associated with such liabilities.
- *Solvency II Volatility Adjustment:* Solvency II firms in UK and Ireland may seek regulatory approval to apply a "volatility adjustment" to some types of long-term insurance liabilities, other than liabilities to which a matching adjustment has already been applied (the "**Volatility Adjustment**"). Certain of the Life Companies have received permission from the PRA to apply the Volatility Adjustment, which reduces the reserving and capital requirements associated with the liabilities. The level of adjustment is prescribed in the UK by the PRA and may change in the future.
- *Transitional Measures:* The benefit of the transitional measures designed to ensure a smooth transition from Solvency I (the old regime) to Solvency II (the new regime) will be phased out over a 16-year period from 1 January 2016. There remains some uncertainty over the pace of run-off within that

period, in particular in circumstances where the transitional measures are required to be recalculated due to a future material change in the risk profile of the Life Companies.

Regarding the discretionary matters above which are already the subject of a relevant regulator's agreement or non-objection, the Group is not aware of any current matters or circumstances that might reasonably be expected to result in the Life Companies losing the relevant benefit.

An increase in the regulatory capital and/or reserving requirements of an entity or a restriction on the use or availability of capital within the Group or a reduction in the value of the Own Funds that can be used to meet such requirements, may reduce the profits of the Group or trap cash or assets in certain Group companies. There are also circumstances where the Group may choose to move cash or assets from another part of the Group to meet an increased regulatory capital requirement. Consequently, a change in the regulatory capital and/or reserving requirements applied to certain Group companies, and in particular the loss of (or the failure to obtain) certain discretionary reductions in those requirements in respect of the Life Companies, could have a material adverse effect on the Group's business, results, financial condition and prospects.

Following a statement from the Chancellor of the Exchequer on 23 June 2020, the UK government announced an intention to bring forward a review of certain features of Solvency II to ensure that it is properly tailored to take account of the structural features of the UK insurance sector. Following a call for evidence and a quantitative impact study, His Majesty's Treasury ("HMT") published a consultation paper on 28 April 2022 in which it proposed the relaxation of some of the capital requirements imposed on UK insurers with some counter-balancing changes also proposed. On 17 November 2022, HMT published its response to the consultation, in which it proposed to legislate as necessary to introduce a number of reforms, including reducing the risk margin for life and non-life insurance business, increasing the risk sensitivity of the current fundamental spread approach and broadening the matching adjustment eligibility criteria. HMT has also proposed further measures which include (among other things) requiring insurers to participate in regular stress testing, requiring senior managers to attest to the sufficiency of their firm's fundamental spread, allowing firms to apply a higher fundamental spread where the standard allowance is insufficient and allowing the PRA to seek assurances on internal credit ratings and to require adjustments where appropriate. On 22 June 2023, HMT published a draft form of legislation which set out the UK government's intention to implement risk margin reforms by year end 2023. The UK government is also considering options to enable reforms to the matching adjustment (including fundamental spread) by June 2024 with the remainder of reforms coming into force by year end 2024. This draft has been made available for the purpose of early engagement and could be subject to further changes. Any changes to Solvency II may increase the capital requirements of the Life Companies. The legislative implementation of these proposals therefore remains uncertain but could have material adverse effects on the Group's business, results, financial condition and prospects.

The Group operates in a regulated sector and its operations and practices may be affected by changes in law and regulation, changes in interpretation or emphasis with respect to existing law and regulation and/or industry wide changes in approach to law and regulation.

The Group operates in the life and pensions sector in several jurisdictions, which, in each case, are the subject of continued legal and regulatory change. The legal and regulatory environments in which the Group operates may change, meaning that the Group has to change its practices. Such change can come in the form of a change in law or regulation. For example, (i) Solvency II (which became effective on 1 January 2016 and has since been amended) increased the capital requirements on the Life Companies and (ii) the General Data Protection Regulation (EU) 2016/679 (the "GDPR") (which became effective on 25 May 2018) increased the territorial scope of the existing EU data protection framework and imposed stronger sanctions on those who breach it, amongst other things. Alternatively, a relevant regulator may reinterpret or place new emphasis on an existing piece of law or legislation.

In the UK and Ireland, a number of significant changes to law and regulation are currently being proposed or have relatively recently been implemented. In the pensions sector, the effect of certain new laws and regulations has not yet been fully realised, in part because the new laws and regulations may change customer behaviours. For example, on 1 April 2015, wide-ranging reforms of UK pensions legislation came into effect, including the cessation of the requirement for pension benefits to be taken in the form of an annuity and a requirement for customers to receive guidance on their options at the time of retirement. The advent of these freedoms resulted in a reduction in annuity sales. It is also possible that (as has happened since the advent of the reforms) there may continue to be a reduction in customer retention in particular when a customer with a pension policy would previously have been likely to buy an annuity. Broader financial services regulation is also being consulted on by HMT, which aims to establish how much rule-making power will pass from legislation to the UK's regulators. On 27 July 2022, the FCA published final rules in a policy statement (PS 22/9) and finalised guidance (FG 22/5) which introduce a new 'Consumer Duty' on firms who provide services to retail clients. The rules and guidance come into force on 31 July 2023 for new and existing products or services that are open to sale or renewal and on 31 July 2024 for closed products or services. In Ireland, proposed pensions reforms have been published in the Irish government's "Roadmap for Pension Reform 2018 – 2023". Directive 2016/2341 ("IORP II") was transposed into Irish law on 22 April 2021, and the Irish government has approved the introduction of an auto-enrolment pension system in Ireland from 2024, which could result in changes to customer behaviour when it comes to pension savings and investment. The Group is monitoring and projecting the impact of ongoing pensions' reforms on its business, but the true impact will only become clear once relevant laws and regulations are implemented and, following that, a stable pattern of customer experience has emerged. In Germany, as in the UK and Ireland, the relevant legal and regulatory landscape is subject to significant and continuous change.

The Group may experience changes in the value of its assets, liabilities and/or capital requirements as a result of the ongoing Global Benchmark Reform mandated by the Financial Stability Board (including the transition away from current benchmarks, for example the London Interbank Offered Rate (LIBOR) and the Euro Interbank Offered Rate (EURIBOR), to alternative interest rate benchmarks such as the Sterling Over Night Index Average (SONIA)), and any associated changes in regulatory policy made by the PRA, FCA, EIOPA and other regulators in the jurisdictions in which the Group operates or has exposure to. In relation to LIBOR, the ICE Benchmark Administration Limited ("IBA") ceased publication of all sterling, Euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar LIBOR settings, and replacement risk-free rates have been adopted in their place. All remaining US dollar LIBOR settings will cease immediately after 30 June 2023. The FCA has used its regulatory powers to compel the IBA to publish a number of sterling and Japanese yen LIBOR settings on an alternative methodology basis (so-called "synthetic LIBOR") from 1 January 2022 and to publish certain US dollar LIBOR settings, in each case, for a transitional period.

Brexit may result in further changes to the UK and EU's regulatory system. While the business of the Group is primarily situated in the UK, some of the changes to the regulatory system may affect the business of the Group (positively or negatively). Changes to law and regulation may also affect the regulation of UK business if the UK and EU regulatory systems diverge and may also affect contracts (including derivative contracts) to which a UK business is party. The Group is exposed to the risk of counterparties failing to meet all or part of their obligations, such as derivative counterparties failing to pay as required, which could have a material adverse effect on the Group's business, results, financial condition and prospects. As a result, it is possible that Brexit may require the Group to take mitigating action, or to change parts of its business. In addition, like many of its peers, the Group will also administer some EU policyholders' policies on a run-off basis consistent with EIOPA's guidance. If this route falls away, or local regulators disallow it, the Group may have to take action.

The Group's main regulators are the PRA and the FCA in the UK. Outside the UK, SLIDAC and PLAE are authorised and regulated in Ireland by the CBI. The Group also conducts business outside the UK and Ireland

and the law and regulations of a number of other jurisdictions also apply to the Group. These jurisdictions include (but are not limited to) Hong Kong, Germany, Austria, Bermuda and the United States. In particular, SLIDAC sells and administers a significant number of products in Germany and Austria via its German branch. As a result, the Group may be subject to greater regulatory oversight by German and Austrian regulators in respect of its activities in the German and Austrian markets even though the Group does not have an authorised subsidiary in Germany or Austria. Law and regulation (and its interpretation) may change in any of the jurisdictions in which the Group operates or conducts business, combined with political uncertainty or changes in the government, could lead to non-compliance with new requirements which could subsequently impact the quality of customer outcomes, leading to regulatory sanction, leading to adverse effects on the Group's financial performance or reputation.

As a result, existing law and regulation (where the economic or other impact has not yet been fully realised), changes in law and regulation, changes in interpretation or emphasis in respect of existing law and regulation, industry wide changes in approach to regulation, and/or any failure by the Group to comply with applicable law and regulation, may individually or together have a material adverse effect on the Group's business, results, financial condition and prospects.

The Group is subject to potential intervention by the FCA, the PRA, the CBI, BaFin and other regulators on industry-wide issues and to other specific investigations, reports and reviews.

Members of the Group are regulated by the PRA, the FCA and the CBI. The PRA and FCA each has significant statutory powers in respect of the regulation of the Life Companies authorised in the UK and the other regulated entities in the Group. While regulating the Life Companies and other regulated entities in the Group, the PRA, the FCA, the CBI, the Bermuda Monetary Authority and other regulators may make regulatory interventions using such powers, including thorough investigations, requests for data and analysis, interviews or reviews (including skilled persons' reports under section 166 of FSMA). The PRA, the FCA and the CBI have each adopted an approach of intensive supervision in respect of the life and pensions sector. This is expected to continue. As a result, the Group believes the incidence of regulatory interventions has the potential to increase.

The PRA, the FCA and the CBI may also carry out formal "thematic reviews" which are sector wide reviews or other informal sector wide inquiries in respect of a theme or common issue or a particular type of product. While these are not expressly targeted at only the Group, the Group has participated in, and expects to continue to participate in, such reviews from time to time.

Regulatory intervention, including of the sort described above, may lead to the FCA, the PRA and/or the CBI (and other relevant regulators or bodies) requiring:

- specific remediation in respect of historical practices (which could include compensating customers, fines or other financial penalties);
- changes to the Group's practices;
- public censure; and/or
- the loss or restriction of regulatory permissions necessary to carry on the Group's business in the same manner as before, as well as changes to the Group's existing practices or approvals to complete acquisitions or to integrate acquisitions fully.

Certain companies in the Group, including the Life Companies and other regulated entities in the Group, are subject to regulation in foreign jurisdictions resulting in potential policyholder claims and regulatory intervention in those jurisdictions. In particular, while no member of the Group is authorised in Germany,

SLIDAC has a significant German business. The sale of life and pensions products in Germany is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**").

Such regulatory interventions could have a material adverse effect on the Group's business, results, financial condition and prospects, as well as damaging the Group's reputation.

The Group may become subject to regimes governing the recovery, resolution or restructuring of insurance companies

The Group is subject to regimes governing the recovery, resolution or restructuring of insurance companies and, as the scope and implications of some components of these regimes are still evolving, it is unclear how in future this might affect the Group.

As part of the global regulatory response to the risk that systemically important financial institutions could fail, regimes were established to create recovery and resolution powers for banks in the UK and the European Economic Area ("**EEA**"). These powers include, as part of wider resolution tools, to write down indebtedness or to convert that indebtedness to capital (known as "**bail-in**"), as well as other resolution powers.

Under Section 377 of the FSMA ("**Section 377**"), the court may write down the value of liabilities in some circumstances. Section 377 is the subject of material reform and clarification as part of the Financial Services and Markets Bill (the "**Bill**") published by HMT. As at the date of this Prospectus, the Bill is in the final stages of the legislative process, which involves the consideration of amendments proposed by the House of Lords prior to Royal Assent. The proposed reforms to Section 377 clarify the write-down power whereby HMT or the PRA or an insurer, a shareholder of an insurer or a policyholder or other creditor of an insurer (in each case, with PRA consent) can apply to the court for an order to direct that one or more of an insurer's liabilities is reduced on terms specified in the order. The court would be able to make a write-down order if it is satisfied that the insurer is, or is likely to become, unable to pay its debts (within the meaning of the Insolvency Act 1986) and making the order is reasonably likely to lead to a better outcome for the insurer's policyholders and other creditors (taken as a whole) than not making the order. A write-down order may not be made in respect of "excluded liabilities", which would include liabilities such as short-term liabilities, liabilities to pay for goods and services, certain secured liabilities and certain liabilities to employees and pension schemes. The reformed Section 377 power would also include a statutory moratorium on certain contractual termination rights for service and financial contracts (provided the contracts are being performed). On 8 February 2023, the PRA published CP3/23 (Dealing with insurers in financial difficulties), which outlines the PRA's proposed approach and expectations in relation to write-down applications.

However, even once this power is amended, the powers set out in FSMA will stop short of creating a complete resolution regime, such as is established for banks in the Banking Act 2009. There is, however, increasing interest in the UK and the EEA in creating such a regime for insurance groups. On 22 September 2021, the European Commission published a proposal for an EU Directive establishing a framework for the recovery and resolution of insurance and reinsurance undertakings. More recently, on 26 January 2023, the UK government published a consultation (the "**Consultation**") on a resolution regime for insurers ("**IRR**"). The government proposes to legislate to introduce an IRR which would be similar to the resolution regime for banks under the Banking Act 2009. The Bank of England would be the UK resolution authority for insurers. It is proposed that resolution tools could be triggered if an insurer is failing or likely to fail, if resolution is in the best interests of the public and no other alternative would achieve the same result. The Consultation proposes six resolution tools for insurers: (i) the transfer of some or all of an insurer's business to a private sector purchaser; (ii) the transfer of an insurer's business to a bridge institution pending a formal resolution or sale to the private sector; (iii) bail-in powers which could be applied to restructure, modify, limit or write down an insurer's liabilities, subject to exclusions; (iv) the power to place an insurer under temporary public ownership; (v) the power to transfer assets and liabilities to a balance sheet management vehicle with a view

to maximising value through sale or a wind-down and (vi) an insurer administration procedure to allow the Bank of England to exercise the proposed private sector purchaser and bridge institution stabilisation powers whilst ensuring that the insurer's critical functions can continue to operate. The Consultation also proposes the introduction of ancillary powers including powers to suspend termination rights, impose distribution restrictions and change management, alongside enhanced resolution planning requirements such as a resolvability assessment framework and the introduction of resolution plans which would set out the Bank of England's preferred resolution strategy for the relevant insurer. The proposed IRR would apply to all UK-authorized insurers and is therefore likely to be applicable to the Group. Insurers in the Group that are domiciled in EU member-states, such as SLIDAC and PLAE, would not be affected by the IRR, but would probably be in-scope for the proposed EU insurance recovery and resolution directive.

If the write-down power is enacted as proposed in the Bill, or if the IRR is enacted as proposed in the Consultation, and if the financial condition of a UK insurance undertaking in the Group were to deteriorate, it is possible that a write-down order could be made in respect of liabilities of that insurance undertaking or that one or more of the resolution tools could be applied in respect of PGH or a UK insurance undertaking in the Group or any of the liabilities of that insurance undertaking. This can only take place if one of the UK insurance undertakings in the Group is in very severe financial difficulties. The making of a write-down order or a resolution order, or the perception that the making of such an order may be imminent, could have a material adverse effect on the Group's reputation, business and prospects.

The Bill is at an advanced stage in the legislative process, however, there is not yet a timetable for enacting the proposals in the Consultation. It is possible that the final text will differ from that which is currently undergoing Parliamentary scrutiny as part of the Bill. It is also possible that the proposals in the Consultation, if and when enacted, could result in additional costs or compliance burdens for the Group, which could involve additional costs or compliance burdens for the Group. Therefore, there remains some uncertainty in the final details of how the Section 377 power will be reformed, and considerable uncertainty over the final design of the IRR, including any bail-in power it includes. This uncertainty has implications for the Group and its creditors, including the Noteholders. See also "*Other risks relating to the Notes generally – The Notes may fall within the scope of bail-in powers if a recovery and resolution regime for insurers is implemented in the UK*".

Insurance Risks, Internal Operations, Management and Third Party Arrangements

Changes in actuarial assumptions driven by experience and estimates may lead to changes in the level of reserving and regulatory capital required to be maintained.

The Group has liabilities under bulk purchase agreements, annuities and other policies that are sensitive to future mortality and longevity rates. In particular, bulk purchase agreements and annuities are subject to the risk that annuity holders or pension scheme members (as applicable) live longer, or longevity rates increase, compared to what was projected at the time their policies were issued, with the result that the issuing Life Companies must continue paying out to the annuitants or pension scheme members (as applicable) for longer than anticipated and, therefore, longer than was reflected in the price of the annuity or bulk purchase agreement (as applicable). There may also be increases in the cost of meeting guarantees on policies with a right to convert their policy value into an annuity at a fixed rate and the contributions required to be paid under the Group's defined benefit pension schemes may also increase. Conversely, increased mortality, or higher mortality rates, may increase the number of death claims on term-assurance and protection products.

The Life Companies monitor their actual liability experience against the actuarial assumptions they use and apply the outcome of such monitoring to refine their long-term assumptions. Based on these assumptions, the Life Companies make decisions aimed at ensuring an appropriate build-up of assets and liabilities relative to one another. These decisions include the allocation of investments among fixed-income, equity, property and

other asset classes, the setting of any applicable variable policyholder bonus rates (some of which are guaranteed) and the setting of surrender terms. However, because of the underlying risks inherent in actuarial assumptions, it is not possible to determine precisely the amounts that will ultimately be paid to meet policyholder liabilities. Actual liabilities may vary from estimates, particularly when those liabilities do not occur until well into the future. The Life Companies evaluate their liabilities allowing for changes in the assumptions used to establish their liabilities, as well as for the actual claims experience. Any changes in assumptions may lead to changes in the level of capital that is required to be maintained. In the event that the Group's reserving and/or regulatory capital requirements are significantly increased, the amount of cash or other assets available for other business purposes or to meet the Group's financing commitments, including payments under the Notes, may decline.

To the extent that actual mortality, longevity and morbidity rates or other insurance risk experience are less favourable than the underlying assumptions about such rates or experience and it is necessary to increase reserves for policyholder liabilities as a consequence, the amount of additional capital required (and therefore the amount of capital that can be released from the Life Companies in order to service and pay down debt or to finance distributions to their shareholders) and the ability of the Group to manage the Life Companies in an efficient manner may all be materially adversely affected. In particular, there is considerable uncertainty over the rate at which mortality rates will continue to improve in the future. Over time, the Group could incur significant losses if mortality rates improve faster than has been assumed.

In addition, the Group makes assumptions about the rates at which policyholders will surrender or otherwise terminate their policies prior to their maturity date. It is possible that specific factors (like changes to charges applied to surrendering policies or terminations as a result of a corporate transaction or de-branding) or more general macro-economic conditions and interest rate changes may affect surrender and persistency rates. For products with guarantees at maturity, the Group is exposed to the risk that fewer policyholders will terminate their policies prior to their maturity date than assumed, since this will increase the volume of guarantees that are required to be met at maturity. Conversely, for policies with no guarantees, the anticipated future profits obtained from those policies may be curtailed if more policyholders terminate their policies prior to their maturity date than assumed. Surrender rates may also be affected by changes in law and/or regulation.

If the assumptions underlying calculations of reserves are shown to be incorrect (e.g., if policyholders do not die at the rate assumed in actuarial calculations or if the volume of guarantees that are required to be met at maturity is greater than assumed), the Group may have to increase the amount of its reserves or the amount of risk reinsured. The Group also has obligations towards pension schemes including guaranteed liabilities, annuities and other policies that are sensitive to longevity experience rates. If members live longer than expected, additional capital may need to be held to cover increased pension scheme obligations. Any of these factors could have a material adverse impact on the Group's business, results, financial condition and prospects.

If the Group is unable to maintain the availability of its systems and safeguard the security of its data, including customer and employee data, due to accidental loss, cyber-crime, the occurrence of disasters or other unanticipated events affecting the Group or its service providers, its ability to conduct business may be compromised, which may have an adverse effect on the Group.

The Group uses computer systems to store, retrieve, evaluate and utilise policyholder, employee and company data and information. In certain circumstances, and in certain parts of the Group, the Group's computer, information technology and telecommunications systems, in turn, interface with and rely upon third party systems, including those of third party outsourced service providers. In certain circumstances, the Group's business is highly dependent on its ability, and the ability of certain third parties, to access these systems to perform necessary business functions, including, without limitation, processing premium payments, making changes to existing policies, filing and paying claims, administering annuity products, providing customer

support and managing the Group's investment portfolios. Furthermore, acquisitions by the Group (including the acquisition of SLAL from Standard Life Aberdeen plc ("**Standard Life Aberdeen**" or "**SLA**"), now known as abrdrn plc ("**abrdrn**"), which completed on 31 August 2018 (the "**SLA Acquisition**"), and the acquisition by PGH of the entire issued share capital of ReAssure from Swiss Re Finance Midco (Jersey) Limited ("**Swiss Re**") for total consideration of £3.1 billion in cash and shares (the "**ReAssure Acquisition**")) have significantly increased, the complexity and volume of systems inside the Group, and have therefore increased the likelihood of systems failures or outages which could compromise the Group's ability to perform these functions in a timely manner. This could harm its ability to conduct business and hurt its relationships with its business partners, clients and customers. In the event of a disaster, such as a natural catastrophe, an industrial accident, a blackout, a computer virus, a terrorist attack or war, the Group's systems may be inaccessible to its employees, customers, clients and/or business partners for an extended period of time. The Group's systems could also be subject to physical and electronic break-ins, cyber-crime and subject to similar disruptions from unauthorised tampering. Based on external events and trends, the threat posed by a cyber security breach is significant and the complexity of the Group's increasingly interconnected digital ecosystem exposes it to multiple attack vectors including phishing and business email compromise, hacking, data breach and supply chain compromise. Following COVID-19, the increased use of online functionality to meet customer preferences and future ways of working including remote access to business systems has added additional challenges to cyber resilience and may have an impact on service provision and customer security. The cyber security risk has been heightened in light of the conflict in Ukraine which has increased cyber threat levels and the likelihood of a cyber-attack from a state actor, particularly on supply chains and the wider financial services industry which the Group relies upon. The Group continues to adapt its approach in order to keep up to date with the latest threats.

In addition, the Group is subject to the risk of accidental loss of data by its employees or outsourced service providers, which could expose the Group to potential liabilities and could negatively impact its relationships with its business partners and customers. The factors described above may impede or interrupt the Group's business operations or lead to unauthorised disclosure or loss of data or data corruption, including customer data, which could lead to potential liabilities and damage the Group's reputation. Furthermore, because of the long-term nature of much of the Group's business, accurate records have to be kept for long periods of time, increasing the potential for exposure.

Despite the resilience plans and facilities the Group has in place, the Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Group's business (particularly in relation to the SLAL insourced platform for SLAL and SLIDAC, and ReAssure's in-house Administration of Life, Pensions, Health and Annuities system ("**ALPHA**") in relation to the ReAssure Life Companies) in the communities in which the Group is located, such as disruption to electrical, communications, internet, transportation or other services used by the Group or third parties with which it conducts business. Any disruption to the Group's systems and communication lines in the future may impact its ability to use its platforms, its ability to service and interact with its clients and its ability to successfully implement contingency plans that depend on such systems or communication lines.

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

The development of machine learning and artificial intelligence may expose the Group to additional regulatory risks.

As computing power advances, the use of automated decision making (be that machine learning, artificial intelligence or complex decision trees) has increased throughout the insurance industry, including the use of algorithms to help customers make decisions about their future. There is a risk that the data used to drive these decisions contains biases which are not identified or the implications not understood and that, as a

result, there is artificial discrimination in the recommended outcomes. For the Group, this could manifest through customers failing to achieve good outcomes and expose the Group to reputational damage and the need to remediate for inappropriate decisions made following the use of such tools. There is also the risk that the Group could be subject to regulatory sanction, most notably from the Information Commissioner's Office but also from the FCA. The materialisation of these risks could have a material adverse effect on the Group's business, results, financial condition and prospects.

Changes to accounting standards may materially adversely affect the Group's statutory financial results.

The Group's consolidated financial statements are prepared in accordance with UK endorsed IFRS. Changes to IFRS, as applicable to the Group, have recently been approved and further changes may be proposed in the future.

IFRS 17 Insurance Contracts was approved for adoption by the UK Endorsement Board in May 2022 and its effective date was 1 January 2023. IFRS 17 has replaced IFRS 4 as the standard for insurance contracts, and it is expected to significantly change the presentation and measurement of the Group's insurance contracts, investment contracts with discretionary participation features and associated reinsurance contracts. These changes will impact the pattern in which profit emerges when compared to IFRS 4 as IFRS 17 introduces a model of profit being recognised in the income statement as insurance service is provided and where contracts are loss-making the losses are recognised immediately. IFRS 17 also introduces a contractual service margin ("CSM"), which represents the unearned profit of a group of insurance contracts and is recognised in profit or loss as the insurance and/or investment service is provided to the customer using coverage units.

IFRS 17 requires the standard to be applied retrospectively, with certain allowances where a fully retrospective approach has been assessed as being impractical. The transition date for the Group was 1 January 2022.

The estimated impact of adopting IFRS 17 as at 1 January 2022 is that total equity attributable to owners of the Issuer remains broadly neutral when compared with the reported value at 1 January 2022 of £5.8 billion, and a CSM (net of reinsurance) of at least £2 billion is to be established.

The broadly neutral impact to total equity attributable to owners of the Issuer as at 1 January 2022 is a result of a number of offsetting factors. This includes the following factors which have a positive impact on equity:

- By moving to an IFRS 17 best estimate of future cash flows, prudent margins currently recognised on insurance contract liabilities under IFRS 4 are released.
- Under IFRS 4, an unallocated surplus liability is held in respect of future transfers to shareholders from the Group's with-profit funds. On application of IFRS 17, shareholder earnings on with-profit and unit-linked business are recognised by reflecting only cash flows due to policyholders within the best estimate of liabilities.

The reduction in best estimate liabilities arising from the above factors is offset by the following items, which reduce equity:

- The recognition of a risk adjustment and CSM.
- The derecognition of the separate acquired value of in-force business (AVIF) asset associated with insurance contracts previously recognised under IFRS 4.

For further information on the adoption of IFRS 17 and its estimated impact, please refer to note A5 to the Issuer's consolidated financial statements included in its 2022 Annual Report and Accounts, which are incorporated by reference in this Prospectus.

The actual impact of adopting IFRS 17 on 1 January 2023 with a transition date of 1 January 2022 may change as the Group continues to embed the new systems, processes and controls required. It is possible that IFRS net assets and profits may be adverse to those previously reported under IFRS 4.

Compliance with IFRS 17 is a significant undertaking, and a complex programme of work to deliver the Group's future financial reporting, including its 2023 interim accounts, is ongoing and reliant on the successful completion of significant workstreams across the Group, resulting in a number of delivery risks.

IFRS 17 will affect the timing of recognition of profits arising from insurance contracts and as at the date of this Prospectus, it is unclear how the change to IFRS 17 will be interpreted by investors, rating agencies and other stakeholders. Apart from IFRS 17, other changes to applicable accounting standards may also result in a change to how the Group's IFRS results are determined and/or may require retrospective adjustment of previously reported results to ensure consistency, which could have an adverse effect on the Group's financial condition and results of operations.

Changes in accounting standards and assumptions may lead to increases in the level of provisioning or additional provisions being made in respect of a range of actual, contingent and/or potential liabilities including, but not limited to, tax, and changes in the determination of fair value could have a material adverse effect on the estimated fair value amounts of financial instruments.

A provision is recognised when the Group has present legal or constructive obligations as a result of a past event and it is probable that an outflow of resources will be required to settle these obligations. Where the Group has present legal or constructive obligations, but it is not probable that there will be an outflow of resources to settle the obligation or the amount cannot be reliably estimated, this is disclosed as a contingent liability. Provisions held by the Group, including those relating to tax, may be subject to estimates and may prove inadequate or inaccurate resulting in a material liability. Liabilities may also arise where no provision has been made. In particular, there is a time lag between acquisitions, disposals and other corporate transactions undertaken by the Group and the review of its tax treatment by HM Revenue & Customs ("HMRC"). While significant transactions are discussed with HMRC on an ongoing basis, in some cases formal confirmation of HMRC's position cannot be obtained until the relevant tax returns are submitted, which can lead to uncertainty. If a liability, including tax, were to arise in respect of which there is inadequate or no provision, this could have a material adverse effect on the Group's business, results, financial condition and prospects.

Determination of fair value is made at a specific point in time, based on available market information and judgements about financial instruments, including estimates of the timing and amounts of expected future cashflows and the credit standing of the issuer or counterparty. The use of different methodologies and assumptions could have a material adverse effect on the estimated fair value amounts of financial instruments, which could adversely affect the Group's business, results, financial condition and prospects.

The Holding Companies are dependent upon distributions from their subsidiaries to cover operating expenses, debt interest and repayments, pension scheme contributions and dividend payments. In times of severe market turbulence, the Group may not in the longer term have sufficient capital or liquid assets to make sufficient distributions to the Holding Companies, or to meet its payment obligations, or they may suffer a loss in value.

The Group's insurance operations are conducted through subsidiaries. The Holding Companies ultimately rely on distributions and other payments from their subsidiaries, including in particular the Life Companies, to meet the funding requirements of Group companies, including in order to make payments of principal and interests on the Notes, as the Holding Companies do not generate a cash surplus from their operations and other activities. The Holding Companies' principal sources of funds are dividends from subsidiaries, inter-company loans from subsidiaries, repayment of inter-company loans that have been made by the Holding

Companies to subsidiaries and any amounts that may be raised through the issuance of equity or debt instruments or bank financing. As a result, deterioration in the liquidity and solvency position of the Life Companies, or other members of the Group could, in addition to its impact on the liquidity or solvency position of the individual Life Companies, have in the longer term an adverse impact on the Group's funding or liquidity, which could have a material adverse effect on the Group's financial condition and prospects.

As at 31 December 2022, the Group has ongoing principal repayment and interest payment obligations in respect of approximately £4.3 billion of regulatory capital securities and for any amounts drawn under the Revolving Credit Agreement (as defined herein) (which is currently undrawn), which obligations are expected to be funded by existing cash resources, the release of capital, profits and liquidity from the Group's operating units or through refinancing.

PGH is party to a revolving loan facility agreement dated 27 June 2019 between, among others, PGH and National Westminster Bank Plc as facility agent (as amended and/or restated from time to time, the "**Revolving Credit Agreement**"). Under the Revolving Credit Agreement, the lenders have made available a multicurrency revolving loan facility in an aggregate principal amount equal to £1.75 billion (of which £500m may also be used as a multicurrency swingline facility), which bears a floating rate of interest.

Certain of the Holding Companies also have ongoing commitments to make contributions to the Group's pension schemes in accordance with the agreed contribution schedules and to meet their general operating expenses. The availability and amounts of cashflows from subsidiaries, in particular the Life Companies, may be impacted during periods of severe market turbulence by the need to maintain appropriate levels of regulatory capital in the Group. In certain circumstances, such as if a Group company was unable to meet applicable regulatory capital requirements or significant threats to policyholder protection were identified, the PRA or the CBI could intervene in the interests of policyholder security, for example, by imposing restrictions on the fungibility or movement of capital between members of the Group. Moreover, PGH may elect to reduce or forgo dividend payments to it from its subsidiaries as a means of maintaining or enhancing the relevant solo or Group capital position. Although the Holding Companies maintain liquidity buffers to reduce the reliance on emerging cashflows in any particular year, in the event that cashflows from the Group's subsidiaries are limited as a consequence of periods of severe market turbulence, this may in the longer term impair the Group's ability to service these obligations, which would have a material adverse effect on the Group's business, results, financial condition and prospects.

The Group needs to reduce the expenses of managing long-term business in line with the run-off profile of its funds. The inability to adjust these costs could have an adverse effect on the Group.

Most of the business of the Life Companies, are long-term run-off policy portfolios and should become smaller over time consistent with the management of a heritage business. In order to protect with-profit policyholder benefits and shareholder returns, it will be necessary to reduce the costs of managing the Group's long-term business at least in line with the run-off profile, which the Group partly does through the use of outsourcing arrangements. The Group is exposed to the risk that it may be unable to reduce costs proportionately or to make changes to achieve an appropriate balance of fixed and variable costs. This exposure could arise, for example, from deficient management, contractual restrictions, significant changes in the regulatory environment, material sector-specific inflationary pressures or an unexpected increase in policy lapses. The current expense assumptions for policy charges are based on anticipated governance costs and the run-off profile of the Group's business. Unlike some of the Group's operations, the SLAL and ALPHA platforms are not currently outsourced and this represents a level of fixed costs which will not be easily scalable to match the run-off profile of the policies that it administers. An inability to adjust costs (and in particular to manage non-scalable costs) could therefore have a material adverse effect on the Group's business, results, prospects and financial condition. In addition to managing policy costs, the Group is

exposed to losses, particularly on historical long-term business as a result of the failure or poor execution of significant operational processes.

The Group's risk management policies and procedures may not be effective and may leave the Group exposed to unidentified or unexpected risks.

The Group's policies, procedures and practices used to identify, monitor and control a variety of risks may fail to be effective. As a result, the Group faces the risk of losses, including losses resulting from human error, the payment of incorrect amounts to policyholders due to incorrect administration, market movements and fraud. The Group's risk management methods rely on a combination of technical and human controls and supervision that can be subject to error and failure. Some of the Group's methods of managing risk are based on internally developed controls, models and observed historical market behaviour, and also involve reliance on industry standard practices. These methods may not adequately prevent future losses, particularly if such losses relate to extreme or prolonged market movements, which may be significantly greater than the historical measures indicate. These methods also may not adequately prevent losses due to technical errors if the Group's testing and quality control practices are not effective in preventing technical software or hardware failures.

Ineffective risk management policies and procedures may have a material adverse effect on the Group's business, results, financial condition and prospects.

The Group is vulnerable to adverse market perception arising as a result of reputational damage, especially as it operates in a highly regulated industry.

The Group must display a high level of integrity and have the trust and the confidence of its customers and its advisers. Any mismanagement, fraud or failure to satisfy fiduciary responsibilities, or any negative publicity resulting from the Group's activities, the activities of a third party to whom or from whom the Group has licensed its brands or to whom or from whom it has outsourced any services, or any accusation by a third party in relation to the Group's activities (in each case, whether well founded or not) that is associated with the Group or the industry generally (such as those that arose in respect of mortgage endowments, split-capital investment trusts or payment protection insurance), could have a material adverse effect on the Group's results, financial condition and prospects, including:

- reducing public confidence in the Group including shareholder willingness to subscribe for new equity;
- decreasing its ability to retain current policyholders;
- adversely affecting the willingness of counterparties to sell closed-book companies or portfolios to the Group;
- increasing the likelihood that the FCA and PRA or non-UK regulators will not approve acquisitions or insurance business transfers necessary to effect intra-group consolidations of closed-book companies or portfolios or will subject the Group to closer scrutiny than would otherwise be the case;
- increasing costs of borrowing, including in debt capital markets transactions;
- adversely affecting the Group's ability to obtain reinsurance or to obtain reasonable pricing on reinsurance; and
- decreasing customers' willingness to invest in or acquire particular products.

There have been a number of highly publicised cases involving fraud or other misconduct by employees in the financial services industry in recent years. It is not always possible to deter or prevent employee

misconduct and the precautions the Group takes to prevent and detect this activity may not be effective in all cases. The Group therefore runs the risk that employee misconduct could occur, with possible adverse effects on the Group as set out above.

The Group is also exposed to the risk that it fails to deliver fair outcomes for its customers, leading to adverse customer experience and/or potential detriment. Such matters could lead to reputational damage and/or have a material adverse effect on the financial condition of the Group.

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

Increases in liabilities relating to product guarantees may adversely affect the Group.

In the 1970s and 1980s, when interest rates were higher than they currently are or have been in recent years, UK life insurance companies (including certain of the Life Companies) sold pension contracts that contained certain guarantees or options, including guaranteed annuity options that allowed the policyholder to elect to take the lump sum payable upon the maturity of the pension and apply the funds to purchase an annuity at a minimum guaranteed rate. Whilst there has been an increase in interest rates recently, long-term rates remain relatively low compared to historical levels and life expectancy has increased more rapidly than originally expected. As a result, the Group may have to meet the cost of the mismatch between the performance of the underlying assets and the guaranteed annuity which they are obliged to provide to relevant policyholders.

Similarly, some of the products sold in Germany by SLAL contain terms which guarantee certain of the relevant customer benefits. For example, the German with-profits products contain guaranteed annuity terms and roll-up terms. This is particularly relevant where the Group's liabilities under the products are unhedged or cannot be provided for using pre-existing assets like the inherited with-profit estate.

The Life Companies have existing liabilities relating to guarantees and options contained in policies, which are increased by adverse movements in interest rates, increasing life expectancy and the proportion of customers exercising their options. The Group has purchased derivatives that provide some hedge protection against movements in interest rates but not all such interest rate risk is hedged and it may not be possible, feasible or desirable to hedge such risks in the future. The Group is also exposed to counterparty risk in respect of such financial instruments. The most significant factors affecting the cost of these liabilities relating to guarantees and options relative to the provisions made are the number of customers electing to exercise their option to take the more favourable annuity rates, the relative values of any hedge derivatives that may be maintained from time to time, interest rates and the longevity rates of annuity holders.

If the existing mismatch between the performance of the underlying assets and the guaranteed annuity benefits increases, the Group's business, results, financial condition and prospects could be materially adversely affected.

The Group is exposed to risks arising from new business.

The Group used to be primarily focused on the efficient management of in-force policies and had historically written a limited number of new policies (broadly as increments to existing policies and annuities for current policyholders when their policies mature). The Group continues to write a limited set of directly marketed protection policies, including "Guaranteed Over 50s" policies (life insurance policies available to people over 50 years of age, which pay out upon the death of the life assured). The Group now contains companies (SLIDAC and SLAL) that manufacture workplace pensions, self-invested personal pensions ("**SIPP**"s), drawdown products, onshore bonds and offshore bonds and conducts new business in Ireland, Germany and Austria. The risks associated with new business include underwriting risk, uncompetitive pricing, operational risk from processing new business, conduct risk, the risk of increased FCA (and other regulatory) supervision for example in respect of marketing activities and regulatory capital requirements.

In addition, the Group must ensure its propositions meet the needs of customers and clients, both in relation to new and existing business. If the Group's propositions do not meet the needs of customers and clients, this could adversely impact the Group's ability to deliver the growth levels assumed in its business plans, which could in turn cause increased outflows or reduced new business levels and have a material adverse effect on the financial condition and prospects of the Group.

The Group may encounter risks resulting from a lack of capacity and capability to fully deliver its significant change agenda which is required in order to execute the Group's strategic objectives.

The Group's ability to deliver change on time and within budget could be adversely impacted by insufficient resource and capabilities as well as inefficient prioritisation, scheduling and oversight of products. Such risks could materialise within both the Group and its strategic partners and could result in the benefits of change not being realised by the Group in the timeframe assumed in its business plans and the Group being unable to deliver its strategic objectives. Poor change delivery could affect the Group's ability to operate its core processes in a controlled and timely manner, which in turn could have a material adverse effect on the financial condition and prospects of the Group.

The Group may encounter risks resulting from failure to deliver long-term organic growth.

The Group aims to deliver sustainable cash generation by achieving organic growth in excess of the runoff from its in-force business. The Group's sustainable organic growth is central to the Group's purpose and is fundamental to the delivery of the Group's business plans which assume that organic business growth can offset the run-off from the in-force business and bring sustainability to organic cash generation. Significant negative reputational damage could occur to the Group and confidence in the Group might be diminished if it fails to deliver organic growth in line with targets shared, which in turn could have a material adverse effect on the financial condition and prospects of the Group.

The Group may encounter risks through its participation in the bulk annuity market.

The Group markets bulk annuity policies to the trustees of defined benefit pension schemes. There is a risk that bulk annuity business could generate losses, in particular if longevity expectations are different to those assumed in the pricing of the contracts or if the Group fails to generate sufficient investment returns on the investments supporting the Group's liabilities under such arrangements. To the extent the Group reinsures longevity risk arising from bulk annuity policies, this will increase the Group's exposure to reinsurer credit risk with respect to its ability to recover amounts due from reinsurers under such arrangements.

The Group's success will depend upon its ability to attract, motivate and retain diverse and engaged talent.

The calibre and performance of the Group's senior management and other key employees are critical to the success of the Group. The continued success of the Group will depend on its ability to attract, motivate and retain highly skilled management and other personnel, including lawyers, actuaries, portfolio and liability managers, analysts, IT professionals and executive officers. Competition for qualified, motivated and skilled personnel in the life insurance industry remains significant. Moreover, in order to retain certain key personnel, the Group may be required to increase compensation to such individuals, resulting in additional expenses. Potential areas of uncertainty in relation to this risk include: the ongoing transition of ReAssure businesses into the Group, the expanded strategic partnership with TCS and the introduction of the flexible working model. Potential periods of uncertainty in relation to this operational risk could result in a loss of critical corporate knowledge, unplanned departures of key individuals, or the failure to attract and retain individuals with the appropriate skills to help deliver the Group's strategy, which could ultimately impact the Group's operational capability, its customer relationships and financial performance.

If the Group is unable to attract, motivate and retain key personnel, its business, results, financial condition and prospects could be materially adversely affected.

The Group may be required to make further contributions, in addition to those already agreed, to its defined benefit pension schemes for employees if the value of or cashflows from pension fund assets is not sufficient to cover future obligations under the schemes.

The Group operates several different pension schemes. Of these, the five main pension schemes with defined benefit sections are: the scheme covering the past and present employees of the Group prior to the acquisition of Resolution plc and its subsidiaries (the "**Resolution Group**") (the "**Pearl Pension Scheme**"); the scheme covering the past and present employees of the Resolution Group (the "**PGL Pension Scheme**"); the scheme relating to the former employees of Abbey Life Assurance Company Limited ("**ALAC**"), Abbey Life Trustee Services Limited and Abbey Life Trust Securities Limited (together, "**Abbey Life**") (the "**Abbey Life Pension Scheme**"); the scheme covering the past and present employees of ReAssure and the other ReAssure entities (together, the "**ReAssure Companies**") (the "**ReAssure Pension Scheme**"); and the scheme covering the past and present employees of Sun Life of Canada UK (the "**Sun Life of Canada Pension Scheme**"). Each of those schemes has both defined benefit and defined contribution sections. The defined benefit sections of all five schemes are closed to new members and future accrual and contain no active members. The pension schemes' trustees are required to undertake triennial valuations of the schemes and agree statutory funding plans with the Group, although the trustees are free to call for a further valuation on an earlier date if they see fit. Any future decline in the value of scheme assets, changes in mortality and/or morbidity rates, future changes in interest rates, changes in inflation rates, changes in the current investment strategies of the pension schemes and/or changes in the financial strength of the schemes' statutory employers could increase or contribute to the pension schemes' funding deficits and require the Group to make additional funding contributions in excess of those currently expected. As is the case for all formerly contracted-out defined benefit pension schemes in the UK, the liabilities of the schemes, and so the funding level is also likely to be impacted by the outcome of the 2018 High Court judgment requiring equality in the provision of guaranteed minimum benefits. The Group does not believe there is a material risk of additional deficit repair contributions being required within the next 12 months.

The triennial valuation for the PGL Pension Scheme as at 30 June 2021 was completed in January 2023. This showed a surplus of £2 million on the agreed technical provisions basis as at 30 June 2021. Since 1 March 2019, all defined benefits in the PGL Pension Scheme have been insured with PLL. No further contributions are scheduled to be paid.

The triennial valuation for the Pearl Pension Scheme as at 30 June 2021 was completed in August 2022. This showed a surplus of £67 million on the agreed technical provisions basis as at 30 June 2021. On 17 November 2020, the Pearl Pension Scheme trustee entered into a commitment agreement (the "**Commitment Agreement**") with PGH2 to complete a series of buy-ins that were scheduled to be executed by 31 December 2023. As part of the Commitment Agreement arrangements, the trustee released its share charges previously held over certain group companies. On 16 November 2022, the final buy-in was completed and all defined benefits of the Pearl Pension Scheme (apart from a small amount of hybrid benefits) are now insured with PLL. No further contributions are expected to be paid to the Pearl Pension Scheme.

The triennial valuation for the Abbey Life Pension Scheme as at 31 March 2021 showed a deficit of £86 million on the agreed technical provisions basis. The trustees of the Abbey Life Pension Scheme and Pearl Life Holdings Limited ("**PeLHL**") entered into an agreement on 29 June 2017 under which PeLHL will pay contributions of £400,000 per month between July 2017 and June 2026. PeLHL is also required to pay £4 million per annum into a charged escrow account (the "**2016 Charged Account**"). A separate charged account was set up as part of a funding agreement entered into in June 2013 (the "**2013 Charged Account**"). Under the terms of the funding agreement, the value of the assets held in the 2013 Charged Account (£42.7

million as at 6 December 2021) were paid to the scheme on 7 December 2021. The 2016 Charged Account contained £27.4 million as at 31 March 2023. If the scheme shows a deficit on a defined technical provisions basis as at 31 March 2027, PeLHL must pay to the scheme the lower of the deficit and the value of the assets in the 2016 Charged Account.

The triennial valuation for the ReAssure Pension Scheme as at 31 December 2020 showed a deficit of £77 million on the agreed technical provisions basis. However, no deficit repair contributions are being made directly into the ReAssure Pension Scheme. Instead, in accordance with a funding agreement dated 8 July 2016 entered into with the ReAssure Pension Scheme trustees, the scheme employer funds a security account with assets that are ring-fenced for the benefit of the ReAssure Pension Scheme. That account currently holds assets of around £59 million. As part of the agreement on the triennial valuation, ReAssure Midco Limited agreed to make four annual payments of £4.425 million into the security account between 2022 and 2025. The ReAssure Pension Scheme actuary expects that if the assumptions set out in the ReAssure Pension Scheme's 2020 valuation are borne out in practice, the amount expected to be held in the security account as at 31 December 2025 would be more than sufficient to remove any remaining deficit at that date on an agreed "self-sufficiency basis". If not, then the scheme employer would need to reach agreement with the ReAssure Pension Scheme trustees as to the continued funding of the ReAssure Pension Scheme.

The triennial valuation for the Sun Life of Canada Pension Scheme as at 31 December 2019 was completed in July 2020. This showed a surplus of £41 million on the agreed technical provisions basis. The scheme has insured over 90 per cent. of its liabilities under two transactions: the first in 2018 covered pensioner members and the second in 2021 covered both pensioner and deferred members. No further contributions are scheduled to be paid.

The Pensions Regulator has statutory powers to demand contributions from companies connected or associated with an employer in a defined benefit pension scheme (such as other entities within a group), including powers to issue Financial Support Directions or Contribution Notices. The powers may be exercised against any entity which is "connected" or "associated" (using Insolvency Act 1986 definitions) with the company which participates in the scheme. Changes to the employer covenant supporting any of the Pearl Pension Scheme, the PGL Pension Scheme, the Abbey Life Pension Scheme and/or the ReAssure Pension Scheme could therefore expose any connected or associated Group or Group entity to the Pensions Regulator's powers for a period of up to 6 years afterwards.

The Pension Schemes Act 2021 extends the Pensions Regulator's powers, including to issue punitive fines on targets of a "Contribution Notice", to take enforcement action in relation to scheme funding and to include additional requirements on employers undertaking certain corporate activities to notify the Pensions Regulator and consult with pension scheme trustees. The Act also included proposals for variations to the statutory funding requirements for defined benefits schemes, which could affect the valuation of assets and liabilities of the schemes at their next triennial valuations.

The Pensions Regulator also has statutory powers to intervene in pension scheme funding if the employers and trustees fail to reach agreement or if it is not satisfied that the statutory funding plans will eliminate the funding deficit in a timely manner.

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

The Group is exposed to risks related to climate change, which could adversely affect its results, customer outcomes and operations.

The physical impact and transition risks of climate change pose potentially significant risks to the Group. The climate risk landscape continues to evolve and is of increasing importance to many regulators, governments,

non-governmental organisations and investors. The Group is also exposed to the risk of failing to respond to ESG risks and delivering on its social purpose; for example, failing to meet its sustainability commitments and targets. A failure to deliver could result in adverse customer outcomes, reduced employee engagement, reduced proposition attractiveness and reputational risks.

Governmental and corporate efforts to transition to a low carbon economy in the coming decades could have an adverse impact on global investment assets. In particular, there is a risk that this transition including the related changes to technology, law and policies and the speed of their implementation, could result in some sectors facing significantly higher costs and a disorderly adjustment to their asset values. There is also potential that certain climate change risk factors have not yet been fully priced in by financial markets, with the risk that sudden late government policy action in response to a failure to achieve emission goals could lead to unanticipated and potentially large shifts in asset valuations for industries required to rapidly move to a net zero emissions position. The failure to understand and respond effectively to the physical and transitional risks associated with climate change and to effectively integrate climate considerations into investments decisions could adversely affect the Group's business, results, financial condition and prospects.

Other potential climate risk impacts could emerge for the Group as a result of a transition towards a greener world. This includes regulatory changes, changing customer needs and preferences and climate change driven litigation. Litigation and wider reputational damage could arise from a wide range of factors, including a perception that the Group's climate commitments and targets are inadequate or ineffective, or claims of "greenwashing" if the Group's products or the Group's actions are out of line with obligations set in relation to climate change.

Chronic physical risks such as rising global temperatures and more volatile and severe weather patterns as a result of climate change, may impact operations, supply chains and also demographic risks with the potential for worsening mortality and morbidity rates caused by (*inter alia*) the intensification of the heat waves and sea level rises for example. These potential impacts will require consideration within the Group's pricing and long term liability matching strategies.

The acute physical risk from climate change may result in disruptions to business operations which may expose residential and commercial properties in certain locations to increased risk of damage and result in a reduction in their market value. This could increase the cost of guarantees in relation to equity release mortgages secured against those residential properties. In addition, there are long-term market, credit, insurance, reputational, propositional and operational implications of physical risks resulting from climate change (e.g. the impact of physical risks on the prospects of current and future investment holdings, along with potential impacts on future actuarial assumptions).

If the Group experiences difficulties arising from outsourcing relationships, its ability to conduct business may be compromised.

Certain Group companies outsource almost all of their key customer service, policy administration, accounts collection, human resource payroll and administration functions under formal outsourcing arrangements. The Group only enters into outsourcing relationships with firms which the Group believes have the know-how, expertise and business models that put such services at the core of their offerings. In addition, in connection with certain transactions, the Group enters into transitional service arrangements with vendors to supply services back to the holding companies which divested of their businesses to the Group. The businesses acquired through the SLA Acquisition, along with the ReAssure Companies, make use of a number of outsourcing and transitional services arrangements and the Group intends to expand its use of such arrangements in the future, for example by moving around 3 million policies from the ALPHA platform to the Tata Consultancy Services BaNCS™ platform by 2026.

The Group aims to maintain effective systems and controls for outsource providers and transitional service providers in compliance with the Group's ongoing obligations. However, there can be no assurance that such systems and controls will be completely successful in seeking to avoid, or reduce the potential effects of, underperformance. In particular, while the outsourcing and transitional service relationships are carefully monitored, underperformance may also result in breaches of applicable law and regulation, which could result in regulatory intervention. There is also a risk that the providers will not be able to keep up with the pace of legal and/or regulatory change, in which case the Group's operations may become non-compliant.

If the Group does not effectively develop, implement and monitor its outsourcing strategy or its transitional services relationships (including any related contingency plans) do not perform as anticipated or the Group experiences problems with transition of service arrangements, the Group may experience disruption to its customers and stakeholders. This may lead to poor investment returns, operational difficulties, increased costs, reputational damage and loss of business that may have a material adverse effect on the Group's business, results, financial condition and prospects. The high cost barriers to entry and the previous consolidation of the outsourcing industry has led to an increased exposure for the Group to fewer third party policy administration suppliers lessening the number of supply options. In addition, the expected or unexpected decline or insolvency of one or more of the Group's third party service providers leading to a reduced ability, or an inability, to provide relevant services could have a material adverse effect on the Group's ability to sustain its ongoing operations, which could have a material adverse effect on the Group's business, and require the use of effective contingency options to manage the impact on the Group's results, financial condition and prospects.

The Group relies predominantly on third party asset management firms outside the Group to manage its assets (in particular abrdn). Periods of underperformance of the asset management firms appointed by the Group could lead to material redemptions or impact the ability to attract business in the funds of the Group, and the performance of such firms (and therefore the performance of its investments) may be adversely affected by mismanagement of client assets or liabilities and the loss of key investment managers.

The Group relies predominantly on outside third party asset management firms to manage its assets (in particular abrdn). Members of the Group enter into investment management agreements when they appoint third party asset management firms to manage their assets. Such investment management agreements typically contain provisions relating to performance conditions, the breach of which can permit the early withdrawal of assets from third party asset managers. The Group only enters into third party asset management relationships with firms which the Group believes have the know-how, expertise and business models appropriate for the provision of asset management services to the Group. The Group aims to maintain effective systems and controls for third party asset management firms in compliance with the Group's ongoing obligations. However, there can be no assurance that such provisions would be successful in seeking to avoid or reduce the potential effects of underperformance by third party asset management firms.

If the investment performance of the third party asset management firms appointed by the Group represents underperformance relative to other asset management firms, the Group's policyholders may seek to redeem their policies. In addition, the Group derives a significant portion of its income from its share of the appreciation of investments held in shareholder, non-profit and with-profit funds. Therefore, where lower returns on those assets occur, this reduces the level of income derived by the Group. Any of these factors could have a material adverse effect on the Group's business, results, financial condition and prospects.

The performance of the third party asset management firms appointed by the Group are also subject to risks associated with the process of managing client assets and providing asset and liability management services, such as the risk of failure to manage the investment process or execute trading activities properly. Such failure

could lead to poor investment decisions, incorrect risk assessments, inappropriate investments being bought or sold and incorrectly monitoring exposures. A failure by asset management firms to effectively manage the Group's assets, interest rate and liquidity risks could have a material adverse effect on the Group's business, results, financial condition and prospects.

The Group may be adversely affected by third party reinsurers' unwillingness or inability to meet its obligations under reinsurance contracts, or potential variations and reductions in the nature and scope of cover through schemes of arrangement or portfolio transfers. In addition, the unavailability, adverse pricing and/or inadequacy of reinsurance arrangements may adversely affect the Group.

The Life Companies seek, through reinsurance with third parties, to transfer risk to reinsurers (in particular, in relation to the Life Companies, mortality, longevity and morbidity risk) that can cause unfavourable outcomes to its business. As a result, the Group has substantial exposure to reinsurers through reinsurance (or retrocession) arrangements in relation to the Life Companies. Under these arrangements, reinsurers assume all or a portion of the costs, losses and expenses associated with the reinsured (or retroceded) policies' claims and reported and unreported losses in exchange for a premium, or as part of a sale arrangement. However, the Life Companies generally remain liable as the direct insurer (or reinsurer) on all risks reinsured (or retroceded). Consequently, reinsurance arrangements do not eliminate the Group companies' obligation to pay claims. The Group companies are subject to reinsurer credit risk with respect to their ability to recover amounts due from reinsurers. Even where the reinsurer has an obligation to put up collateral in support of its operations, there can be no certainty that such collateral will satisfy the full amount of the Group's liabilities.

While the Group regularly evaluates the financial condition of its reinsurers to minimise its exposure to significant losses from reinsurer defaults and insolvencies, reinsurers may become financially unsound or choose to dispute their contractual obligations when they become due. Reinsurers may also seek to "cut off" the obligations they owe under the reinsurance arrangements by schemes of arrangement. A scheme of arrangement allows an insurer or reinsurer to achieve finality for its exposure to certain policies by giving creditors a fair valuation of ultimate liabilities (i.e. settling all known claims balances and incurred but not reported balances). A scheme of arrangement may limit the benefit of reinsurance protections and ultimately the amount available to pay out subsequent claims.

In addition, market conditions beyond the Group's control determine the availability and cost of the reinsurance that the Group is able to purchase in the event that the existing reinsurance arrangements prove to be insufficient. Historically, reinsurance pricing has changed significantly from time to time. No assurances can be given that reinsurance will remain continuously available to the Group to the same extent and on the same terms as are currently available or which were available at the time that the current arrangements were established. If the Group were unable to maintain its current level of reinsurance or purchase new reinsurance protection in amounts that the Group considers sufficient and at prices that it considers acceptable, the Group would have to either accept an increase in its net liability exposure or develop other alternatives to reinsurance.

Third party reinsurers' unwillingness or inability to meet their obligations under reinsurance contracts, or potential variations and reductions in the nature and scope of cover through schemes of arrangement and the unavailability, adverse pricing or inadequacy of reinsurance arrangements could have a material adverse effect on the Group's business, results, financial condition and prospects.

The withdrawal of assets from investment management agreements with abrdn companies may expose the Group to purchase price adjustments and other costs or claims.

In August 2018, the Group entered into the Marvel Share Purchase Agreement (the "Marvel SPA") and a strategic asset management partnership as part of the SLA Acquisition, which included a purchase price adjustment ("PPA"), which applies in connection with withdrawals of certain assets in specific circumstances

from SLA's (now abrdn's) management. In February 2021, the Group simplified its strategic partnership with SLA (now abrdn), and extended the core components of the asset management partnership from August 2028 to February 2031. Where a PPA is due, adjustments will be made to the consideration paid by PGH Cayman (as defined below) in respect of the SLA Acquisition.

The arrangements described above could result in the Group incurring a cost which would need to be funded from its internal cash resources from time to time. Any adjustments to the purchase price paid in respect of the SLA Acquisition or any increased regulatory capital requirements in relation to the PPA mechanism may reduce PGH's cash resources and/or have an adverse effect on its financial condition and/or a material adverse effect on the Group's business, results, financial condition and prospects.

The costs and effects of threatened, pending or future legal or arbitration proceedings, including with any of PGH's major shareholders, or adverse developments with respect thereto, could have a material adverse effect on the Group's business, results, financial condition and prospects.

From time to time, the Group is party to or is threatened with legal or arbitration proceedings in respect of which monetary damages, compensation or specific performance can be sought.

As a consolidator of life and pensions books, the Group enters into share purchase and other acquisition agreements from time to time, as well as transitional service arrangements with sellers to supply services to, or for the supply of services by, businesses which are sold to the Group as part of the process of separation from the seller. The Group may also enter into longer term arrangements as part of an ongoing relationship. If there are disagreements over the terms of such agreements, such transitional services and other arrangements do not perform as anticipated or the cost of such arrangements is not as anticipated, disputes may arise between the Group and its counterparties and the Group may threaten, or be threatened with, legal or arbitration proceedings from time to time.

The Group's management cannot predict with certainty the outcome of pending or threatened legal or arbitration proceedings or potential future legal or arbitration proceedings, and the Group may incur substantial expense in pursuing or defending these proceedings. Potential liabilities may not be covered by insurance, the Group's insurers may dispute coverage or may be unable to meet their obligations, or the amount of the Group's insurance coverage may be inadequate. Moreover, even if claims brought against the Group are unsuccessful or without merit, the Group would have to defend itself against such claims. The defence of any such actions may be time consuming and costly, may distract the attention of management and potentially result in reputational damage. As a result, the Group may incur significant expenses and may be unable to effectively operate its business. Accounting provisions recognised by the Group in its financial statements may prove to be insufficient. Any of the above and any adverse outcomes and reputational damage arising out of any such proceedings could have a material adverse effect on the Group's business, results, financial condition and prospects.

Other Risks

The Group could be materially adversely affected by its indebtedness.

The Group's indebtedness and restrictions on the Group under the terms of its notes and the Revolving Credit Agreement could have a material adverse effect on the Group, including:

- requiring the Group to dedicate a substantial portion of its cashflow to payments on its debt;
- restricting the Group from pursuing potential acquisition opportunities or preventing the Group from being able to obtain regulatory approval for a potential acquisition opportunity, which could impair the Group's ability to execute its acquisition strategy;

- exposing the Group to changes in interest rates, which can impact the price of fixed rate debt or the interest cost of variable rate debt (if any);
- placing the Group at a competitive disadvantage compared to its competitors that have lower levels of indebtedness;
- the Group losing its investment grade rating;
- limiting the Group's flexibility in planning for, or reacting to, changes in its business and industry; and
- limiting, among other things, the Group's ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

The Group may need to refinance the remaining outstanding principal amount of its notes and credit facilities (if applicable) either on terms which could potentially be less favourable than the existing terms or under unfavourable market conditions.

On the other hand, the Group's leverage has a positive effect on the Group's value through the beneficial impact of the tax deductibility of interest and so any significant reduction in its indebtedness and associated interest costs may have an adverse impact on the Group's value as a consequence of higher tax payments than currently projected by the Group. There can be no assurance that the Group will, in the future, continue to benefit from tax deductions for its interest costs to the same extent.

The level of the Group's indebtedness and financing structure could therefore have a material adverse effect on the Group's business, results, financial condition and prospects.

The finance facilities that the Group has entered into include covenants that may restrict the Group from taking certain business actions and/or implementing its business strategies.

The agreements that govern the Group's finance facilities contain certain restrictions limiting its flexibility in operating its business, including restrictions that limit the Group's ability to:

- create liens;
- borrow money; and
- sell or otherwise dispose of assets.

These restrictions could in the longer term hinder the Group's ability to implement its business strategies. The Group is also subject to other financial and non-financial restrictions that may limit its ability to pay dividends. In addition, a breach of the terms of the Group's finance facilities could cause a default under the terms of those finance facilities, causing some or all of the debt under those financing arrangements to become due prior to its scheduled maturity date.

Changes in taxation law may adversely impact the Group.

There are specific rules governing the UK taxation of policyholders. The Group's management cannot necessarily predict the impact of future changes in tax law on the taxation of life and pension policies in the hands of policyholders. Amendments to existing legislation (particularly if there is a withdrawal of any tax relief or an increase in tax rates) or the introduction of new rules may impact upon the decisions of policyholders, and could have a material adverse effect on the Group's business, results, financial condition and prospects.

More generally, UK and overseas taxation law includes rules governing company taxes, business taxes, personal taxes, capital taxes, value added taxes and other indirect taxes. The Group's management cannot predict the impact of future changes in UK and overseas tax law on its business. From time to time, changes

in the interpretation of existing UK and overseas tax laws, amendments to existing tax rates, changes in the practice of tax authorities, or the introduction of new tax legislation in the UK or overseas may adversely impact the Group's business, results, financial condition and prospects.

The effect of future changes in tax legislation on specific products may have an adverse effect on the Group and may lead to policyholders attempting to seek redress where they allege that a product fails to meet their reasonable expectations.

The design of long-term insurance and annuity products is predicated on tax legislation applicable at that time. However, future changes in tax legislation or in interpretation of the legislation may, when applied to these products, have a material adverse effect on the financial condition of the relevant Group companies in which the business was written and therefore have a material negative impact on policyholder and the Group's returns.

The design of long-term products takes into account, among other things, risks, benefits, charges, expenses, investment returns (including bonuses) and taxation. Policyholders may seek legal redress where a product fails to meet their reasonable expectations. An adverse outcome of such legal redress and reputational damage arising out of such legal redress could have a material adverse effect on the Group's business, results, financial condition and prospects.

Changes to the current VAT rules may result in VAT being chargeable on certain outsourcing agreements of the Group.

Group companies currently do not pay significant amounts of value added tax ("VAT") in respect of services they receive under their outsourced services agreements for policy administration. If the amount of VAT payable were to increase then this would increase the Group's costs to the extent that the relevant agreements did not contain adequate protection against VAT being charged or increased. VAT charged on goods and services is largely irrecoverable for financial services groups such as the Group.

Services supplied under the outsourced services agreements are largely exempt from VAT under the UK's insurance intermediaries' exemption. The Court of Justice of the European Union has considered the scope of the insurance intermediaries' exemption in a number of cases, most recently, in relation to outsourcing, in March 2016, and ruled that certain types of outsourced insurance services were subject to VAT. The UK's interpretation of the insurance intermediaries' exemption is out of step with these judgments and HMRC have expressly recognised this in their guidance although UK law has not yet been amended. HMRC have indicated an intention to review the law once the wider EU review of VAT and Financial Services, which is being undertaken by the European Commission, is completed. but, until such time, the wider formulation of the UK exemption will continue to apply. If any such changes are effected, this may lead to the conclusion that certain services under the Group's outsourced services agreements for policy administration would be treated as subject to VAT. Although certain of the outsourced services agreements have a measure of protection against such changes, since VAT is largely irrecoverable by the Group, such treatment could have a material adverse effect on the Group's business, results, financial condition and prospects.

RISKS RELATING TO NOTES GENERALLY

Words and expressions defined in "Terms and Conditions of the Senior Notes", "Terms and Conditions of the Tier 3 Notes" and "Terms and Conditions of the Tier 2 Notes" below shall, as appropriate, have the same meanings in this section.

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

Modification, waivers and substitution

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) subject (in the case of any Series of Subordinated Notes) to satisfaction of the Regulatory Clearance Condition, any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of another company as principal debtor under any Notes in place of the Issuer in each case in the circumstances described in the Terms and Conditions of the Notes. In the event of any such substitution, the Trustee shall be entitled to agree to amendments of the terms of the Notes and the Trust Deed without the consent of the Noteholders. Furthermore, if Insurance Group Parent Entity Automatic Substitution is specified as being applicable in the relevant Final Terms or Pricing Supplement in respect of any Series of Notes, the Issuer may, without the consent of Noteholders, at its option, procure that the Insurance Group Parent Entity (which may or may not be an entity which currently exists or whose identity is currently known) is substituted under the Notes and the Trust Deed as issuer of the Notes in place of the Issuer if the Issuer ceases, has ceased or, on the date of the substitution, will cease to be the Insurance Group Parent Entity for any reason. In the case of the Subordinated Notes, any such substitution shall be subject to PGH having complied with the Regulatory Clearance Condition. See "*Information on the Group - Structure of the Group*". No guarantee would be provided by the Issuer in respect of the Notes following such a substitution, and the claims of Noteholders may be further structurally subordinated to the claims of other creditors of the Insurance Group as a result of such a substitution, including creditors in respect of any outstanding issuances of the Issuer whose terms do not allow for an Insurance Group Parent Entity Automatic Substitution or Notes that do allow Insurance Group Parent Entity Automatic Substitution but for which the Issuer elects not to exercise its right to substitute the Issuer. There can be no assurance that any such substitution will not adversely affect the market value of the Notes or that the Issuer will elect to exercise its right to substitute the Insurance Group Parent Entity in place of the Issuer in respect of all Notes where the Issuer has the right to do so.

The terms of the Notes contain very limited covenants

There is no negative pledge in respect of the Subordinated Notes. PGH is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Subordinated Notes. If PGH decides to dispose of a large amount of its assets, investors in the Subordinated Notes will not be entitled to declare an acceleration of the maturity of the Subordinated Notes, and those assets will no longer be available to support the Subordinated Notes.

In addition, the Notes do not require PGH to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit PGH's ability to use cash to make investments or acquisitions, or the ability of PGH or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect PGH's ability to service its debt obligations, including those of the Notes.

Notes where denominations involve integral multiples

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another similar amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denominations that are not integral multiples of such minimum Specified Denominations (as defined in the relevant Final Terms). In such a case a Noteholder, who as a result of trading such amounts, holds a principal amount of less than the minimum Specified

Denomination in his account with the relevant clearing system at the relevant time would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may 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.

Notes subject to optional redemption by the Issuer

An optional redemption feature (such as those which may be included in the Terms and Conditions of the Senior Notes, the Tier 3 Notes and the Tier 2 Notes) is likely to limit the market value of Notes. In relation to the other special event redemption rights contained in the Terms and Conditions of the Tier 3 Notes and the Tier 2 Notes, see the risk factor entitled "*Early Redemption*" below. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes, in among other circumstances, 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.

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 with conventional interest-bearing securities with comparable maturities.

No limitation on PGH issuing further securities

There is no contractual restriction on PGH creating liabilities ranking equally with or senior to any Series of Subordinated Notes and no restriction on the amount of securities which PGH may issue or guarantee which securities rank *pari passu* with any Series of Senior Notes. The negative pledge contained in the Terms and Conditions of the Senior Notes contains a number of exceptions. The issue or granting of security in relation to any other liabilities may reduce the amount recoverable by Noteholders on a winding-up of the Issuer. In the winding-up of the Issuer and after payment of the claims of their respective more senior ranking creditors, there may not be a sufficient amount to satisfy the amounts owing to the Noteholders under the relevant Series of Notes.

PGH is a holding company

PGH is the parent company of the Group. The operations of the Group are conducted by the operating subsidiaries of PGH. Accordingly, creditors of a subsidiary would have to be paid in full before sums would be available to the shareholders of that subsidiary and thereafter (by the payment of dividends to PGH) to Noteholders in respect of any payment obligations of PGH under the Notes. As the equity investor in its subsidiaries, PGH's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that PGH is recognised as a creditor of such subsidiaries, PGH's claims may still be subordinated to any security interest in, or other lien on, their assets and to any of their debt or other obligations that are senior to PGH's claims. See also the risk factor

entitled "*The Holding Companies are dependent upon distributions from their subsidiaries to cover operating expenses, debt interest and repayments, pension scheme contributions and dividend payments. In times of severe market turbulence, the Group may not in the longer term have sufficient capital or liquid assets to make sufficient distributions to the Holding Companies, or to meet its payment obligations, or it may suffer a loss in value*" above.

The Issuer may not be liable to pay certain taxes

All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction (as defined in the Conditions for the relevant Series), unless the withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders in respect of payments of interest after the withholding or deduction shall equal the amounts which would have been receivable in respect of interest on the Notes in the absence of such withholding or deduction.

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the relevant Noteholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, except as provided for in the relevant Terms and Conditions.

In particular, the Subordinated Notes do not provide for payments of principal to be grossed up in the event withholding tax of a Relevant Jurisdiction is imposed on repayments of principal. As such, PGH would not be required to pay any Additional Amounts under the terms of the Subordinated Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Subordinated Notes, Noteholders may receive less than the full amount due under the Subordinated Notes and the market value of the Subordinated Notes may be adversely affected.

The Notes may fall within the scope of bail-in powers if a recovery and resolution regime for insurers is implemented in the UK

As discussed in "*The Group may become subject to regimes governing the recovery, resolution or restructuring of insurance companies*" above, it is possible that in the future a recovery and resolution regime could be implemented for insurers. If such a regime is implemented in the UK, there is a risk that Notes issued under the Programme would fall within the scope of "bail-in" powers which may be exercised by the resolution authority pursuant to such regime in order to reduce or defer the liabilities of the Issuer, the Group and/or any subsidiary of the Issuer. These bail-in powers could include the ability to cancel or write down (in whole or in part) the Notes, to convert the Notes into shares (in whole or in part) or to modify the terms of the Notes. In the event of such a bail-in, Noteholders may lose some or all of their investment in the Notes.

Risks relating to the Subordinated Notes

Words and expressions defined in "Terms and Conditions of the Tier 3 Notes" and "Terms and Conditions of the Tier 2 Notes" below shall, as appropriate, have the same meanings in this section.

Set out below is a brief description of certain additional risks relating to the Tier 2 Notes and the Tier 3 Notes:

PGH's obligations under the Subordinated Notes are subordinated

The Tier 3 Notes will constitute direct, unsecured and subordinated obligations of PGH and rank *pari passu* and without any preference among themselves. The claims of holders of Tier 3 Notes will rank in priority to the claims of holders of the Tier 2 Notes and will rank junior to the claims of Senior Creditors of the Issuer (including holders of Senior Notes) in an Issuer Winding-Up and otherwise as set out in "*Terms and Conditions of the Tier 3 Notes*".

The Dated Tier 2 Notes will constitute direct, unsecured and subordinated obligations of PGH and rank *pari passu* and without any preference among themselves. The claims of holders of Dated Tier 2 Notes will rank junior to the claims of Senior Creditors of the Issuer (including holders of Senior Notes and Tier 3 Notes) in an Issuer Winding-Up and otherwise as set out in and "*Terms and Conditions of the Tier 2 Notes*".

The Undated Tier 2 Notes will constitute direct, unsecured and subordinated obligations of PGH and rank *pari passu* and without any preference among themselves. The claims of holders of Undated Tier 2 Notes will rank junior to the claims of Senior Creditors of the Issuer (including holders of Senior Notes, Tier 3 Notes and (unless an Undated Notes Parity Election has been made) Dated Tier 2 Notes) in an Issuer Winding-Up and otherwise as set out in and "*Terms and Conditions of the Tier 2 Notes*".

While the Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a significant risk that an investor in the Subordinated Notes will lose all or some of its investment should PGH become insolvent.

Restricted remedy for non-payment when due under Subordinated Notes

If default is made by PGH for a period of 14 days or more in the payment of any amount due under the Subordinated Notes, the sole remedy against PGH available to the Trustee or (where the Trustee has failed to proceed against PGH as provided in the Conditions) any Noteholder for recovery of amounts which have become due in respect of the Notes will be the institution of proceedings for the winding-up of PGH and/or proving in any winding-up or in any administration of PGH and/or claiming in the liquidation of PGH.

Non-payment by PGH of any amounts when due will not, of itself, render the Notes immediately due and payable at their principal amount. Further, a Noteholder proving in any winding-up or in any administration of PGH and/or claiming in the liquidation of PGH may not be able to recover all amounts which have become due under the Subordinated Notes but remain unpaid. Accordingly, there is a significant risk that an investor in the Subordinated Notes will lose all or some of its investment should PGH fail to pay any such amounts when due.

Interest payments under the Subordinated Notes must be deferred under certain circumstances

In respect of the Tier 2 Notes only, if "Optional Interest Payment Date" is specified as being applicable in the relevant Final Terms or Pricing Supplement, PGH may on any Optional Interest Payment Date elect to defer paying interest on each Optional Interest Payment Date.

All payments by PGH under or arising from any Series of Subordinated Notes are conditional upon the Solvency Condition being satisfied at the time of such payment and immediately thereafter. The Solvency Condition provides that, other than in circumstances where an Issuer Winding-Up has occurred or is occurring (but subject to Condition 3(c) of the relevant Terms and Conditions), all payments under or arising from (including any damages awarded for breach of any obligations under) the Notes or the Trust Deed are conditional upon PGH being solvent (as that term is described in Condition 3(d) of the relevant Terms and Conditions) at the time for payment by PGH and still being solvent immediately thereafter. Other than in circumstances where an Issuer Winding-Up has occurred or is occurring, no amount will be payable under or arising from the Subordinated Notes or the Trust Deed unless and until such time as PGH could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

Further, PGH is required to defer any payment of interest on any Series of Subordinated Notes pursuant to Conditions 3(d) and 5(b) in respect of the Tier 2 Notes and Conditions 3(d) and 5(a) of the Tier 3 Notes (i) in the event that such payment cannot be made in compliance with the Solvency Condition (as noted above) or (ii) on each Regulatory Deficiency Interest Deferral Date (being an Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date). The definition of Regulatory Deficiency Interest Deferral Event includes not only circumstances relating to PGH but also circumstances where the Insurance Group Parent Entity (as defined in the Conditions) or the Insurance Group itself is in breach of its capital requirements. As at the date of this Prospectus, the Insurance Group Parent Entity is PGH.

The deferral of interest as described above will not constitute a default by PGH and will not give Noteholders or the Trustee any right to accelerate repayment of the relevant Series of Subordinated Notes or take any enforcement action under such Notes or the Trust Deed for any purpose. Any interest so deferred shall, for so long as the same remains unpaid, constitute Arrears of Interest. Arrears of Interest do not themselves bear interest. Arrears of Interest may, subject to certain conditions, be paid by PGH at any time upon notice to Noteholders, but in any event shall be payable, subject to satisfaction of the Regulatory Clearance Condition (where applicable) and the Solvency Condition, on the earliest to occur of (a) the next Interest Payment Date which is not a Regulatory Deficiency Interest Deferral Date (as evidenced by delivery of the certificate referred to in Condition 5(b) in respect of the Tier 2 Notes and Condition 5(a) in respect of the Tier 3 Notes) and on which a scheduled payment of interest in respect of the Notes (or any part thereof) is made or is required to be made pursuant to these Conditions (other than a voluntary payment of Arrears of Interest), (b) the date on which an Issuer Winding-Up occurs or (c) the date fixed for any redemption or purchase of Notes by PGH pursuant to Condition 6 (subject to any deferral of such redemption date pursuant to the Solvency Condition or Condition 6(b)(i)) or Condition 10 of the relevant Terms and Conditions.

Any actual or anticipated deferral of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Subordinated Notes, the market price of such Notes may be more volatile than the market prices of other debt securities that are not subject to such deferral of interest and may be more sensitive generally to adverse changes in the financial condition of PGH and, if different, the Insurance Group Parent Entity.

See also the risk factor entitled "*Regulatory capital and other requirements may change*" above.

Redemption payments under the Subordinated Notes must, under certain circumstances, be deferred

PGH must defer redemption of any Series of Subordinated Notes on the Maturity Date (if applicable) or on any other date set for redemption of such Subordinated Notes pursuant to Condition 6 of the relevant Terms and Conditions in the event that it cannot make the redemption payments in compliance with the Solvency Condition or if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Subordinated Notes were redeemed by PGH on such date. The definition of Regulatory Deficiency Redemption Deferral Event includes not only circumstances relating to PGH but also circumstances where an insurance undertaking within the Insurance Group is in an insolvent winding-up or administration in circumstances where the claims of policyholders will or may not be met in full, or any such undertaking or the Insurance Group Parent Entity or the Insurance Group itself is in breach of its Solvency Capital Requirement. As at the date of this Prospectus, the Insurance Group Parent Entity is PGH.

The deferral of redemption of the Notes will not constitute a default by PGH and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed for any purpose. Where redemption of the Notes is deferred, subject to certain conditions (including satisfaction of the Regulatory Clearance Condition (if applicable) and the Solvency Condition), the Notes will be redeemed by PGH on the earliest of (a) the date falling 10 Business Days following cessation of

the Regulatory Deficiency Redemption Deferral Event or (b) the date falling 10 Business Days after the PRA has approved the repayment or redemption of the Notes (where such approval is required under the Relevant Rules) or (c) the date on which an Issuer Winding-Up occurs.

Any actual or anticipated deferral of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, including with respect to deferring redemption on the scheduled Maturity Date, the market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled maturity date cannot be deferred. Accordingly, the Notes may be more sensitive generally to adverse changes in the financial condition of PGH and, if different, the Insurance Group Parent Entity.

See also the risk factor entitled "*Regulatory capital and other requirements may change*" above.

Early redemption

A Series of Subordinated Notes may, subject as provided in Condition 6 of the relevant Terms and Conditions, at the option of PGH, be redeemed before the Maturity Date (if any) at their principal amount, together with any Arrears of Interest and any other accrued but unpaid interest to (but excluding) the date of redemption, (i) at any time following the occurrence of a Capital Disqualification Event, (ii) following a Ratings Methodology Event (if Ratings Methodology Call is specified), (iii) in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a change in applicable law or regulation or the official interpretation thereof or (iv) (if so specified in the relevant Final Terms or Pricing Supplement) if 75 per cent. or more of the aggregate principal amount of that Series of Subordinated Notes originally issued has been redeemed and/or purchased and cancelled.

Broadly speaking, a Capital Disqualification Event will occur if, as a result of a change in the Relevant Rules (or in the official interpretation thereof) after the Issue Date, the whole or part of the relevant Series of Subordinated Notes, no longer qualifies as (in the case of Tier 2 Notes) Tier 2 Capital or (in the case of Tier 3 Notes) Tier 3 Capital for the purposes of PGH on a solo, group or consolidated basis or for the purposes of the Insurance Group on a group or consolidated basis.

Therefore, a Capital Disqualification Event would occur if only part of the principal amount of the Notes qualifies as Tier 2 Capital or Tier 3 Capital (as applicable) of PGH or the Insurance Group or a relevant undertaking within the Insurance Group.

Accordingly, there is a risk that after the issue of the relevant Series of Subordinated Notes, a Capital Disqualification Event may occur which would entitle PGH to redeem such Notes early at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest.

Where the Ratings Methodology Call is specified as applicable in respect of a Series of Subordinated Notes, those Notes may be redeemed if a change in the methodology of the Rating Agency as a result of which the "equity credit" (or such other nomenclature as may be used by the Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) assigned by the Rating Agency to such Notes is reduced when compared to the "equity credit" assigned by the Rating Agency or its predecessor to such Notes on or around the Issue Date or (if any further Tranche(s) of the Notes has or have been issued pursuant to Conditions and consolidated to form a single series with the Notes and the "equity credit" assigned by the Rating Agency on the issue date of such Tranche is lower than the "equity credit" assigned to the Notes on or around the Issue Date) the issue date of the last Tranche of the relevant Series.

The triggers for redemption relating to changes in the tax treatment of the Notes or payments thereunder are circumstances where as a result of certain changes in, or amendments to, laws or regulations of a Relevant

Jurisdiction or the application or official or generally published interpretation thereof (a) on the next Interest Payment Date, PGH would be required to pay Additional Amounts (as defined in the relevant Terms and Conditions), (b) PGH would not be able to claim a deduction from taxable profits for corporation tax purposes for or in respect of interest payable on the Notes (or for a material part of such interest) in the UK or (c) PGH suffers or would suffer any other material adverse tax consequence in connection with the Notes in a Relevant Jurisdiction (as defined in the relevant Terms and Conditions).

At the time of any such redemption by PGH, prevailing interest rates may be lower than the rate borne by the relevant Series of Subordinated Notes. If that is the case, a Noteholder may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Subordinated Notes and may only be able to do so at a significantly lower rate. In addition, PGH's ability to redeem such Subordinated Notes at its option in certain limited circumstances may affect their market value. In particular, during any period when PGH may elect to redeem the Subordinated Notes, their market value generally will not rise substantially above the redemption price because of the optional redemption feature. This may also be true prior to any redemption period. Potential investors should consider reinvestment risk in light of other investments available at that time.

RISKS RELATING TO THE MARKET GENERALLY

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

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. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable with similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

Interest rate risk

Investment in Notes involves the risk that changes in market interest rates after the issue date may adversely affect the value of the Notes.

In particular, a holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the "**Market Interest Rate**"). Potential movements in the Market Interest Rate over the life of the Notes are difficult to predict. While the nominal rate of a security with a fixed interest rate is fixed for a specified period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security is likely to change in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a security with a fixed compensation rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

If specified in the relevant Final Terms or Pricing Supplement, on the First Reset Note Reset Date and each Reset Note Reset Date thereafter, the rate of interest on the relevant Series of Notes will be reset by reference to the then prevailing Benchmark Gilt Rate, CMT Rate or Mid-Market Swap Rate (as applicable), and for a period equal to the Reset Period, as adjusted for any applicable margin. The reset of the rate of interest in accordance with such provisions may affect the secondary market and the market value of such Notes and, following any such reset of the rate of interest, the First Reset Rate of Interest or the Subsequent Reset Rate of

Interest on the relevant Notes may be lower than the Initial Rate of Interest, the First Reset Rate of Interest and/or the previous Subsequent Reset Rate of Interest, thereby reducing the amount of interest payable to Noteholders and potentially leading to losses for the Noteholders if they sell the Notes as a result of a reduction in the secondary market bid prices for such Notes.

Floating Rate Notes and Fixed Rate Reset Notes

Reference rates and indices, including interest rate benchmarks such as EURIBOR (as defined below), which are deemed to be "benchmarks" and which may be used to determine the amounts payable under financial instruments or the value of such financial instruments have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Euro interbank offered rate, Benchmark Events and Benchmark Transition Events

It is not possible to predict with certainty whether, and to what extent, the euro interbank offered rate ("EURIBOR") will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past and may have other consequences which cannot be predicted. The potential elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in each case in respect of any Notes referencing such benchmark. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements if a published benchmark, including an inter-bank offered rate such as EURIBOR or other Original Reference Rate (as defined in the Terms and Conditions of the Notes), becomes unavailable. See Condition 4(n) of the terms and conditions of the Senior Notes, Condition 4(l) of the terms and conditions of the Tier 2 Notes and Condition 4(l) of the terms and conditions of the Tier 3 Notes. Where the Benchmark is SOFR and "SOFR Benchmark Replacement" is specified as "Applicable" in the relevant Final Terms or Pricing Supplement, if a Benchmark Transition Event and its related Benchmark Replacement Date occurs, the Benchmark Replacement will replace the Benchmark for all purposes relating to the Notes.

The use of a Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, following consultation with the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders. Where the Original Reference Rate is SOFR and "SOFR Benchmark Replacement" is specified as "Applicable" in the relevant Final Terms or Pricing Supplement, the Issuer may vary the Terms and

Conditions of the Notes if the Issuer considers that it may be necessary to make Benchmark Replacement Conforming Changes, without any requirement for the consent or approval of Noteholders.

If a Successor Rate or Alternative Rate is determined by the Issuer, following consultation with the Independent Adviser, the Terms and Conditions of the Notes also provide that an Adjustment Spread (as defined in the Terms and Conditions of the Notes) will be determined by the Issuer, following consultation with the Independent Adviser, and applied to such Successor Rate or Alternative Rate. The Adjustment Spread may be intended or designed to reduce or eliminate any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholders and Couponholders. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. In particular, any such Adjustment Spread (or, in the case of a Benchmark Replacement, any Benchmark Replacement Adjustment included therein) may not be effective to reduce or eliminate the relevant prejudice to the Noteholders and Couponholders.

The Issuer may be unable to appoint an Independent Adviser or the Issuer, with the assistance of the Independent Adviser, may not be able to determine a Successor Rate, Alternative Rate or Benchmark Replacement in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Issuer is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date or a Benchmark Replacement (as the case may be) (each as defined in the Terms and Conditions of the Notes), the Rate of Interest for the next succeeding Interest Period or Interest Accrual Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event or Benchmark Transition Event (as the case may be), or, where the Benchmark Event or Benchmark Transition Event (as the case may be) occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest (if specified in the relevant Final Terms or Pricing Supplement) or (if no Initial Rate of Interest is so specified) the Rate of Interest which would have applied to the Notes if the Issue Date had been the last day of the first Interest Accrual Period. Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event or Benchmark Transition Event (as the case may be), will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined and, in either case, an Adjustment Spread or a Benchmark Replacement (as the case may be) could be determined.

Where the Issuer has been unable to appoint an Independent Adviser, or the Issuer has failed to determine a Successor Rate, Alternative Rate or Benchmark Replacement and, in either case, an Adjustment Spread or a Benchmark Replacement Adjustment (as the case may be) in respect of any given Interest Period, or Interest Accrual Period, the Issuer will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date to advise the Issuer in determining a Successor Rate, Alternative Rate or Benchmark Replacement and, in either case, an Adjustment Spread or a Benchmark Replacement Adjustment (as the case may be) to apply the next succeeding and any subsequent Interest Periods, as necessary.

If the Issuer is unable to appoint an Independent Adviser, or the Issuer fails to determine a Successor Rate, Alternative Rate or Benchmark Replacement and, in either case, an Adjustment Spread or a Benchmark Replacement Adjustment (as the case may be) for the life of the relevant Notes, the initial Rate of Interest, or

the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event or Benchmark Transition Event (as the case may be), will continue to apply to maturity. Further, no Successor Rate, Alternative Rate or Benchmark Replacement will be adopted, nor will the applicable Adjustment Spread or Benchmark Replacement Adjustment (as the case may be) be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 or Tier 3 Capital, as the case may be. This may result in the Floating Rate Notes or Fixed Rate Reset Notes, in effect, becoming fixed rate Notes.

Due to the uncertainty concerning the availability of a Successor Rate, Alternative Rate or Benchmark Replacement, the involvement of an Independent Adviser, the potential for further regulatory developments and the fact that the provisions of the relevant provisions described above will not be applied if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 or Tier 3 Capital, as the case may be, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

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

The use of risk-free rates - including those such as the Sterling Overnight Index Average ("**SONIA**") and the Secured Overnight Financing Rate ("**SOFR**") - as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of Eurobonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, or the SOFR Index that differ materially in terms of interest determination when compared with any previous Notes issued by it (or any other Issuer) under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond 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.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR or any related indices.

Risk-free rates may differ from EURIBOR and other inter-bank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from EURIBOR and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be more difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking 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 reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to inter-bank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 9 of the Senior Notes or an event as described under Condition 10 of the Subordinated Notes, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of EURIBOR, SONIA, SOFR or any related indices or other reference rates may make changes that could change the value of EURIBOR, SONIA, SOFR or any related index or other reference rates, or discontinue EURIBOR, SONIA, SOFR or any related index or other reference rates

The Bank of England, the Federal Reserve, Bank of New York, the European Money Markets Institute (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Index) or EURIBOR, respectively, or the administrator of any other reference rate, may make methodological or other changes that could change the value of these rates, including changes related to the method by which such rate is calculated, eligibility criteria applicable to the transactions used to calculate such rate, or timing related to the publication of such rate. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of any such rate (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such rate. Any such changes made by the administrator of any such reference rate or related index could have an adverse impact on the amount of interest payable on Notes whose terms reference such reference rate or related index and any such changes could have an adverse effect on the market value of any such Notes.

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

Credit Rating

Given the existing financial indebtedness of the Group and its acquisitive nature, the Group is dependent on its ability to access the capital markets and its cost of borrowing in these markets is influenced by the credit rating supplied by Fitch Ratings Limited. As at the date of this Prospectus, any downgrading of the rating could increase the Group's borrowing cost and consequently may weaken its market position. Changes in methodology and criteria used by Fitch Ratings Limited could result in downgrades that do not reflect changes in the general economic conditions or the Issuer's financial condition.

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. 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.

Investors must rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Notes will be issued in global form. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg and will receive and provide any notices only through Euroclear or Clearstream, Luxembourg.

While the Notes remain in global form, the Issuer will discharge its payment obligations under the Notes by making payments to (or, in the case of Registered Notes) to the order of the registered holder as nominee for) the common depositary for Euroclear or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Notes must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. Accordingly a breakdown in the procedures of Euroclear and Clearstream, Luxembourg could result in the failure or delay of a Noteholder receiving amounts due from the Issuer under the Notes.

TERMS AND CONDITIONS OF THE SENIOR NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented 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 and except for the paragraphs in italics, shall be applicable to the Senior Notes in definitive form (if any) issued in exchange for the Global Note(s) or Certificates representing each Series of Senior Notes. The full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or Pricing Supplement (as applicable) shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. Accordingly, references in these terms and conditions to provisions "specified hereon" or "specified as such hereon" shall be to the provisions endorsed on the face of the relevant Note or Certificate or set out in the relevant Final Terms or Pricing Supplement (as applicable). 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 these 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. These Conditions shall be applicable to those Notes which are specified to be "Senior Notes" in the relevant Final Terms or Pricing Supplement. References in these Conditions to "Notes" are to the Senior Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a Series (as defined below) of Notes issued by Phoenix Group Holdings plc (the "**Issuer**") constituted by a trust deed dated 24 June 2019 as most recently amended and restated on 30 June 2023 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**")) (the "**Trust Deed**") between the Issuer and Citibank, N.A., London Branch (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 terms and 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 24 June 2019 as most recently amended and restated on 30 June 2023 (as amended or supplemented 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 initial issuing and paying agent, Citibank Europe plc as registrar 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 include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and (unless otherwise set out herein or hereon) the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours and upon reasonable notice at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and 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. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same

terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market in the United Kingdom or offered to the public in the United Kingdom in circumstances which require the publication of a Prospectus under the UK Prospectus Regulation (Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA) or the Financial Services and Markets Act 2000, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Fixed to Floating Rate Note, a Fixed Rate Reset Note, a Floating Rate Note, a Zero Coupon Note or a combination of the foregoing, depending upon the Interest Basis and Redemption Basis shown hereon.

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**") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass upon 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 hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Transfers of Registered Notes

(a) *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 (as set out in Schedule 1 of the Trust Deed) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. 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.

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

In the case of an exercise of an Issuer's or Noteholder's option in respect of a holding of Registered Notes represented by a single Certificate 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. 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.

(c) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three Business Days of receipt of the form of transfer or Exercise Notice (as defined in Condition 5(e)) and 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 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 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 Registrar or relevant Transfer Agent (as applicable) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**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).

(d) *Exchange and Transfer 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 by the person submitting such Notes or Certificates that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) *Closed Periods*

No Noteholder may require the transfer of a Note (or part thereof) to be registered during the period of 15 days ending on the due date for any payment of principal or interest.

3 Status of the Notes

(a) *Status*

The Notes and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 3(b)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and

subject to Condition 3(b), at all times rank at least *pari passu* with all its other present and future unsecured and unsubordinated obligations.

(b) Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer shall not directly or indirectly create or have outstanding any mortgage, charge, lien, pledge, encumbrance or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (each a "**Security Interest**"), other than a Permitted Security Interest, upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) (other than assets representing some or all of the fund or funds maintained by the Issuer or any Insurance Subsidiary in respect of any contract of insurance (as defined in the FSMA 2000 (Regulated Activities) Order 2001) or to manage, make or realise investments in the ordinary course of business) to secure any Relevant Indebtedness or any guarantee or indemnity by the Issuer in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the obligations of the Issuer under the Notes and the Coupons and the Trust Deed (i) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee or (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided in respect of such obligations either (A) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders and the Couponholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4 Interest and other Calculations

(a) Interest on Fixed Rate Notes and Fixed to Floating Rate Notes

Each Fixed Rate Note or Fixed to Floating Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest to (but excluding), (i) in the case of Fixed to Floating Rate Notes, the Fixed Rate End Date specified hereon, and (ii) in the case of Fixed Rate Notes, the Maturity Date specified hereon, and such interest shall be payable in arrear on each Interest Payment Date specified hereon. The amount of interest payable shall be determined in accordance with Condition 4(g).

(b) Interest on Fixed Rate Reset Notes

Each Fixed Rate Reset Note bears interest on its outstanding principal amount (unless a Benchmark Event has occurred, in which case the First Reset Rate of Interest and/or any Subsequent Reset Rate of Interest, as applicable, shall be determined pursuant to and in accordance with Condition 4(n)):

- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Note Reset Date at the Initial Rate of Interest;
- (ii) from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date 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,

and such interest shall be payable, in each case, in arrear on the Interest Payment Dates specified hereon. The amount of interest payable shall be determined in accordance with Condition 4(g).

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

(c) ***Interest on Floating Rate Notes and Fixed to Floating Rate Notes***

(i) Interest Payment Dates

Each Floating Rate Note and each Fixed to Floating Rate Note bears interest on its outstanding principal amount from (and including), in the case of a Floating Rate Note, the Interest Commencement Date and, in the case of a Fixed to Floating Rate Note, the Fixed Rate End Date specified hereon at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest shall be payable in arrear on each Interest Payment Date in the case of a Floating Rate Note and on each Interest Payment Date commencing after the Fixed Rate End Date specified hereon in the case of a Fixed to Floating Rate Note. The amount of interest payable shall be determined in accordance with Condition 4(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first such Interest Payment Date, after the Interest Commencement Date, in the case of a Floating Rate Note, or after the Fixed Rate End Date, in the case of a Fixed to Floating Rate Note.

(ii) Business Day Convention

If any date referred to in these Conditions 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 hereon is (A) the Floating Rate Business Day Convention, 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 such subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes and Fixed to Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes and, from and including the Fixed Rate End Date, Fixed to Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon (unless a Benchmark Event has occurred, in which case the relevant Rate of Interest shall be determined pursuant to and in accordance with Condition 4(n)).

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each relevant Interest Accrual Period shall be determined by the Calculation Agent, subject to Condition 4(n), as a rate equal

to the relevant ISDA Rate. 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 hereon;
- (y) the Designated Maturity is a period specified as such hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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.

Unless otherwise specified hereon, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination – Floating Rate Notes referencing EURIBOR

(x) Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate specified hereon is EURIBOR, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n) and subject as provided below, be either:

- (1) the offered quotation; or
- (2) 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 11.00 a.m. (Brussels time), on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) subject to Condition 4(n), if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) 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 Issuer shall request the principal Eurozone office of each of the Reference Banks to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and 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 arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in euro for a period equal to that which would have been used for the Reference Rate by leading banks in the Eurozone inter-bank market or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the rate of interest shall be the offered rate for deposits in euro 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 euro for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time), 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 Issuer it is quoting to leading banks in the Eurozone inter-bank market provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum 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 or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

Unless otherwise specified hereon, the Minimum Rate of Interest shall be deemed to be zero.

- (C) Screen Rate Determination – Floating Rate Notes Referencing SONIA (Non-Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is SONIA and (iii) Index Determination is specified hereon as "Not Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n) and subject as provided below, be Compounded Daily SONIA, as determined by the Calculation Agent.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards:

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

where:

"**d**" is the number of calendar days in:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Observation Period;

"**d_o**" means the number of London Banking Days in:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Observation Period;

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

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the first London Banking Day in the relevant Interest Accrual Period to, and including, the last London Banking Day in the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the first London Banking Day in the relevant Observation Period to, and including, the last London Banking Day in the relevant Observation Period;

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

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

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

"**p**" means, for any Interest Accrual Period, the whole number specified hereon (or, if no such number is so specified, five, provided that a number lower than five may only be so specified by the Issuer with the prior agreement of the Calculation Agent) representing a number of London Banking Days;

the "**SONIA reference rate**", in respect of any London Banking Day, means a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day) or, if the SONIA reference rate cannot be obtained from the Relevant Screen Page or is not otherwise published by such authorised distributors, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate) in respect of such London Banking Day; and

"**SONIA_{i-PLBD}**" means:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i"; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for that day.

If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads). If such Bank Rate is not available, then the SONIA reference rate in respect of such London Banking Day shall be the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

In the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest specified hereon 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 the 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 Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 9, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" London Banking Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(D) Screen Rate Determination – Floating Rate Notes Referencing SONIA (Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is SONIA and (iii) Index Determination is specified hereon as "Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n) and subject as provided below, be the SONIA Compounded Index Rate as determined by the Calculation Agent.

"**SONIA Compounded Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards:

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1 \right) \times \frac{365}{d}$$

where:

"**London Banking Day**" and "**Observation Period**" have the meanings set out under Condition 4(c)(iii)(C);

"**d**" means the number of calendar days in the relevant Observation Period;

"**p**" means, for any Interest Accrual Period, the whole number specified hereon (or, if no such number is so specified, five, provided that a number lower than five shall only be so specified with the prior agreement of the Calculation Agent) representing a number of London Banking Days in the Observation Period;

"**SONIA Compounded Index**" means the index known as the "SONIA Compounded Index" administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index_{END}**" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the date falling "p" London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period);

"**SONIA Compounded Index_{START}**" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the date falling "p" London Banking Days prior to the first day of such Interest Accrual Period; and

"**SONIA Compounded Index Value**" means, in relation to any London Banking Day, the value of the SONIA Compounded Index as published on the Relevant Screen Page on such London Banking Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of the relevant London Banking Day.

Subject to Condition 4(n), if the SONIA Compounded Index Value is not available by 5:00 p.m. (London Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date in relation to any Interest Accrual Period on the Relevant Screen Page or the Bank of England's website (or such other page or website referred to in the definition of "SONIA Compounded Index Value" above) for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Rate of Interest for such Interest Accrual Period shall be "Compounded Daily SONIA" determined as set out in Condition 4(c)(iii)(C) above and as if Index Determination were specified hereon as being "Not Applicable", and for these purposes: (A) the "Observation Method" shall be deemed to be "Observation Shift"; and (B) the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" specified hereon.

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 9, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" London Banking Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(E) Screen Rate Determination – Floating Rate Notes Referencing SOFR (Non-Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is either Compounded Daily SOFR or Weighted Average SOFR and (iii) Index Determination is specified hereon as "Not Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n)(v) be as provided below.

Where it is specified hereon that the Reference Rate is Compounded Daily SOFR, the provisions of paragraph (1) below of this Condition 4(c)(iii)(E) apply.

Where it is specified hereon that that the Reference Rate is Weighted Average SOFR, the provisions of paragraph (2) below of this Condition 4(c)(iii)(E) apply.

(1) *Compounded Daily SOFR*

Where this paragraph (1) applies, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n)(v) and subject as provided below, be Compounded Daily SOFR, as determined by the Calculation Agent.

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

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

where:

"**d**" is the number of calendar days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

"**D**" means the number specified as such hereon (or, if no such number is so specified, 360);

"**d_o**" means the number of U.S. Government Securities Business Days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or

- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

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

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

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

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

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

"**p**" means, for any Interest Accrual Period, a whole number specified hereon (or, if no such number is so specified, five) representing a number of U.S. Government Securities Business Days;

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

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

"**SOFR_i**" means the SOFR for:

- (i) where "Lag" is specified as the Observation Method hereon, the U.S. Government Securities Business Day falling "**p**" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "**i**";
- (ii) where "Lock-out" is specified as the Observation Method hereon:
 - (a) in respect of each U.S. Government Securities Business Day "**i**" that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or
 - (b) in respect of each U.S. Government Securities Business Day "**i**" that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the

U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date);
or

- (iii) where "Observation Shift" is specified as the Observation Method hereon, the relevant U.S. Government Securities Business Day "i"; and

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

(2) *Weighted Average SOFR*

Where this paragraph (2) applies, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n)(v) and subject as provided below, be Weighted Average SOFR, as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards), where:

"Weighted Average SOFR" means:

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

Capitalised terms used in this paragraph (2) and not otherwise defined herein have the meanings given to them in paragraph (1) above of this Condition 4(c)(iii)(E).

(3) *SOFR Unavailable*

Subject to Condition 4(n)(v), if, where any Rate of Interest is to be calculated pursuant to this Condition 4(c)(iii)(E), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4(c)(iii)(E) but without prejudice to Condition 4(n)(v), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of the penultimate paragraph of Condition 4(c)(iii)(C).

(4) *Rate of Interest for an irregular period*

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 9, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" U.S. Government Securities Business Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(F) Screen Rate Determination – Floating Rate Notes Referencing SOFR (Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is Compounded Daily SOFR and (iii) Index Determination is specified hereon as "Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(n)(v) and subject as provided below, be the Compounded SOFR Index Rate, as determined by the Calculation Agent.

"**Compounded SOFR Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (expressed as a percentage and rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards):

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

where:

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

"**Relevant Number**" means the number of U.S. Government Securities Business Days specified as such hereon (or, if no such number is so specified, five);

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

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

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

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

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

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

If, as at any relevant SOFR Determination Time, the SOFR Index_{Start} or the SOFR Index_{End} is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR Index Rate for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 4(c)(iii)(E) as if "Index Determination" were specified hereon as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift" and (ii) "p" shall be deemed to be equal to the Relevant Number, as if such alternative elections had been made hereon.

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 9, the date on which the Notes became due and payable; or
- b. in any other case, the date falling the Relevant Number of U.S. Government Securities Business Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(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 specified hereon 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 described in Condition 5(b)(i)). As from the Maturity Date, 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 (as described in Condition 5(b)(i)).

(e) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

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

- (i) If any Margin is specified hereon (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) 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), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) 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 or countries 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 hereon, 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 for the period for which interest is required to be calculated. Where the Specified Denomination comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination specified hereon.

(h) *Linear Interpolation*

Where Linear Interpolation is specified hereon 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 hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon 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 a 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.

(i) *Determination and Publication of Rates of Interest and Interest Amounts*

The Calculation Agent shall, subject to Condition 4(n), as soon as practicable on each Interest Determination Date or Reset Determination Date (as applicable), 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, 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 to be notified to the Trustee, the Issuer, each of the Paying Agents, 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 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 any event no 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(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall 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. 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 upon all parties.

(j) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Issuing and Paying Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(k) ***Accrual of Interest***

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

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issuing and Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

(l) ***Definitions***

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

"**Anniversary Date**" means the date specified as such hereon.

"**Applicable Maturity**" has the meaning given to it in Condition 4(h).

"**Benchmark Frequency**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**Benchmark Gilt**" means such United Kingdom government security having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer, on the advice of an investment bank or financial adviser of international repute, may determine would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling and of a comparable maturity to the relevant Reset Period.

"**Benchmark Gilt Quotation**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank on a dealing basis for settlement on the next following dealing day in London.

"**Benchmark Gilt Rate**" means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to three decimal places, with 0.0005 rounded upwards) determined by the Calculation Agent on the basis of the Benchmark Gilt Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Issuer and by the Issuer to the Calculation Agent at approximately 3.00 p.m. (London time) on the Reset Determination Date in respect of such Reset Period. 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 Reset Period commencing on the First Reset Note Reset Date, the Reset Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Note Reset Date, an amount specified hereon as the "First Reset Period Fallback".

"**Broken Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**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; and/or
- (ii) in the case of euro, a day on which T2 is open for the settlement of payments in euro (a "**T2 Business Day**"); and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres specified hereon, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"**Business Day Convention**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**Calculation Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**CMT Designated Maturity**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**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 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 4:30 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 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 the U.S. Government Securities Business Day following such Reset Determination Date.

"**CMT Rate Screen Page**" has the meaning given to it in the relevant Final Terms or Pricing Supplement 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.

"**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 Interest Accrual Period, the "**Calculation Period**"):

- (i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, 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 hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, 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 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;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, 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;

- (vii) if "**30E/360 (ISDA)**" is specified hereon, 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

- (viii) if "**Actual/Actual-ICMA**" is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the 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; and

(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 (1) the number of days in such Determination Period and (2) 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 (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"Determination Date" means the date specified as such hereon or, if none is so specified, the Interest Payment Date; and

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"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.

"Eurozone" means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"First Reset Note Reset Date" means the date specified as such hereon.

"First Reset Period" means the period from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date.

"First Reset Period Fallback" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"First Reset Rate of Interest" means the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the Reset Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the First Reset Period (such calculation to be made by the Calculation Agent)).

"Fixed Leg" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Fixed Rate End Date" means the date specified as such hereon.

"Floating Leg" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Floating Rate Business Day Convention" has the meaning given to it in Condition 4(c).

"Following Business Day Convention" has the meaning given to it in Condition 4(c).

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

"Initial Rate of Interest" means the initial rate of interest per annum specified hereon.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date, in respect of the Floating Rate Notes, and the Fixed Rate End Date, in respect of the Fixed to Floating Rate Notes, 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, 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, Fixed Rate Reset Notes, and, prior to the Fixed Rate End Date, Fixed to Floating Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and, 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 hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified: (i) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Reference Rate is EURIBOR or (ii) if the Reference Rate is SONIA, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Accrual Period or (iii) if the Reference Rate is SOFR, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Accrual Period.

"Interest Payment Date" has the meaning given to it in Condition 4(c).

"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.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2006 ISDA Definitions as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc. unless otherwise specified hereon.

"ISDA Determination" has the meaning given to it in Condition 4(c).

"ISDA Rate" has the meaning given to it in Condition 4(c).

"Margin" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

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

- (i) 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 Note 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 the 6-month EURIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified hereon; or
- (ii) if the Specified Currency is not euro, for the Fixed Leg (as set out hereon) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Note 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 hereon).

"Mid-Swap Rate" means in respect of a Reset Period, (i) the applicable semi-annual or annual (as specified hereon) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified hereon) 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 or (ii) if such rate is not displayed on the Screen Page at such time and date, the relevant Reset Reference Bank Rate.

"Modified Following Business Day Convention" has the meaning given to it in Condition 4(c).

"Preceding Business Day Convention" has the meaning given to it in Condition 4(c).

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Issuer or as specified hereon.

"Reference Rate" means (i) EURIBOR, (ii) SONIA, (iii) Compounded Daily SOFR or (iv) Weighted Average SOFR, as specified hereon.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"Reset Determination Date" means, in respect of a Reset Period, (a) each date specified as such hereon or, if none is so specified, (b) (i) if the Specified Currency is sterling, the day falling two Business Days prior to the first day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two T2 Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is US dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period (without prejudice to the operation of the fallbacks set out in paragraph (iii) of the definition of "CMT Rate") (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 Margin" means the margin (expressed as a percentage) specified as such hereon.

"Reset Note Reset Date" means every date which falls on each Anniversary Date as may be specified hereon.

"Reset Period" means the First Reset Period or a Subsequent Reset Period.

"Reset Rate" means (a) if "Mid-Swap Rate" is specified hereon, the relevant Mid-Swap Rate, (b) if "Benchmark Gilt Rate" is specified hereon, the relevant Benchmark Gilt Rate or (c) if "CMT Rate" is specified hereon, the relevant CMT Rate.

"Reset Reference Bank Rate" means the percentage rate determined on the basis of (a) if "Mid-Swap Rate" is specified hereon, the Mid-Swap Quotations provided by the Reset Reference Banks to the Issuer (and any such quotations received shall be provided by the Issuer 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 hereon, the percentage rate determined by the Calculation Agent on the basis of the Reset United States Treasury Securities Quotations provided by the Reset Reference Banks to the Issuer (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at or around 11:00 a.m. (New York City time) on the U.S. Government Securities Business Day following 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 Reset Period commencing on the First Reset Note Reset Date, the relevant Mid-Swap Rate or CMT Rate (as applicable) in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Note Reset Date, the percentage rate specified hereon 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 hereon, five leading swap dealers in the principal interbank market relating to the Specified Currency, (ii) in the case of the calculation of a Reset Reference Bank Rate where "CMT Rate" is specified hereon, five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York or (iii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers, in each case, as selected by the Issuer.

"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 the yield-to-maturity based on the arithmetic mean of the secondary market bid price of such Reset Reference Bank for Reset United States Treasury Securities at approximately 11:00 a.m. (New York City time) on the U.S. Government Securities Business Day following 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 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 the screen page specified hereon or such other page on Thomson Reuters as is specified hereon, 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.

"Screen Rate Determination" has the meaning given to it in Condition 4(c).

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Subsequent Reset Period" means each successive period other than the First Reset Period from (and including) a Reset Note Reset Date to (but excluding) the next succeeding Reset Note Reset Date.

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the Reset Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent)).

"Swap Rate Period" means the period or periods specified as such hereon.

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"United States Treasury Securities" means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

"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.

(m) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agent(s) if provision is made for them hereon 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 fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount or 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 inter-bank market (or, if appropriate, money, swap or over-the-counter index options 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.

(n) Benchmark Discontinuation

(i) Independent Adviser

Subject to Condition 4(n)(v) below and notwithstanding the fallback provisions provided for in Conditions 4(c)(iii)(B) to 4(c)(iii)(F), as applicable, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the provisions of this Condition 4(n)(i)-(iv) shall apply.

The Issuer shall use its reasonable endeavours to appoint 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(n)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4(n)(iv)). In making such determination, the Issuer shall act in good faith. In the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 4(n).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate, together with the applicable Adjustment Spread, in accordance with this Condition 4(n)(i) or Condition 4(n)(ii) prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Interest Accrual Period shall be determined in accordance with Condition 4(c) or the definitions of Benchmark Gilt Rate, Mid-Swap Rate and/or Reset Reference Bank Rate (as the case may be) and Condition 4(f). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period or Interest Accrual Period only and any subsequent Interest Periods or Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(n)(i).

(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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(n)); 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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(n)).

(iii) Adjustment Spread

The applicable Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(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(n) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions, the Agency Agreement 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 (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(n)(vi), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement 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 Directors of the Issuer pursuant to Condition 4(n)(vi), 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 supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the 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 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(n)(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.

(v) SOFR Benchmark Replacement

Notwithstanding the provisions above in Conditions 4(c)(iii)(B) to 4(c)(iii)(F), if the Original Reference Rate is SOFR, "SOFR Benchmark Replacement" is specified as "Applicable" hereon and a 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(n)(v) shall apply instead of Conditions 4(n)(i) to 4(n)(iv) above.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark 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(n)(v) with respect to such Benchmark Replacement).

Where this Condition 4(n)(v) 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(n)(vi) without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement 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 and each Agent which is party to the Agency Agreement of a certificate signed by two Directors of the Issuer pursuant to Condition 4(n)(vi), the Trustee and each Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, 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 by an agreement supplemental to or amending the Agency Agreement (as applicable)) and the Trustee and each Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and any Agent shall not be obliged so to concur if in the opinion of the Trustee and/or such Agent 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 it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

If the Issuer fails to determine a Benchmark Replacement in accordance with this Condition 4(n)(v) or to appoint an Independent Adviser in accordance with Condition 4(n)(i), in each case prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest (if specified hereon) or (if no Initial Rate of Interest is specified hereon) the Rate of Interest which would have applied to the Notes if the Issue Date had been the last day of the first Interest Accrual Period. Where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(n)(v).

In connection with any such variation in accordance with this Condition 4(n)(v), 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.

In no event shall the Calculation Agent be responsible for determining any substitute for SOFR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by Issuer and will have no liability for such actions taken at the direction of the Issuer.

Any determination, decision or election that may be made by the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's sole discretion, and, will become effective without consent from any other party. None of the Trustee or the Agents shall have any liability for any determination made by or on behalf of the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement.

For the purposes of this Condition 4(n)(v):

"Benchmark" means, initially, the Original Reference Rate, provided that if the Issuer determines prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement.

"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) 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 then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (B) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (C) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) 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 (including any daily published component used in the calculation thereof) 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, 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 then-current Benchmark (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 Benchmark permanently or indefinitely ceases to provide the Benchmark (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 Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

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

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component)

has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or

- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"ISDA Definitions" means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified hereon, in each case as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc.

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

"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 Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

"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.

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

- (vi) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Replacement and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes determined under this Condition 4(n) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or 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 Directors of the Issuer:

- (1) where a Benchmark Event has occurred in relation to an Original Reference Rate:
 - (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable 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(n); and

- (B) 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; or
- (2) where a Benchmark Replacement is determined in accordance with Condition 4(n)(v) above:
 - (A) confirming (A) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement determined in accordance with Condition 4(n)(v), 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 Issuer) and (2) the applicable Benchmark Replacement Adjustment (if any), and (iii) the specific terms of the Benchmark Replacement Conforming Changes (if any); and
 - (B) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement.

The Trustee shall be entitled to rely on such certificate (without 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 or bad faith in the determination of 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) 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.

(vii) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(n) (i), (ii), (iii), (iv), and (v), the Original Reference Rate and (where relevant) the provisions of Conditions 4(c)(iii)(B) to 4(c)(iii)(F) or the definitions of Benchmark Gilt Rate, Mid-Swap Rate and/or Reset Reference Bank Rate (as the case may be) and Condition 4(f) will continue to apply unless and until (i) a Benchmark Event has occurred and the Trustee, the Agent and (in accordance with Condition 15) the Noteholders have been notified of the Successor Rate or Alternative Rate (as applicable), the applicable Adjustment Spread and any Benchmark Amendments determined pursuant to Condition 4(n)(iv), or (ii) a Benchmark Transition Event has occurred and the Trustee has been notified of the Benchmark Replacement (including any Benchmark Replacement Adjustment, if applicable) and Benchmark Replacement Conforming Changes (if any), in each case, in accordance with Condition 4(n)(vi).

(viii) Definitions

As used in this Condition 4(n):

"**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:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (if the Issuer determines that no such spread is customarily applied);
- (C) the Issuer, following consultation with the Independent Adviser, determines 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); or
- (D) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 4(n)(ii) is customarily applied in debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(n)(iv).

"**Benchmark Event**" means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) 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
- (C) 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
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that 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
- (F) it has 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;

provided that in the case of sub-paragraphs (B) and (C) above, the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate or the date of the discontinuation of the Original Reference Rate, in the case of sub-paragraph (D) above, the Benchmark Event shall occur on the date of prohibition of use of the Original Reference Rate and in the case of sub-paragraph (E) above, the Benchmark Event shall occur 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, as the case may be, and not the date of the relevant public statement.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(n)(i) or 4(n)(v), as applicable.

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate (or component part thereof) determined pursuant to this Condition 4(n).

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

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (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.

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

5 Redemption, Purchase and Options

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount), together with any interest accrued to (but excluding) the date of redemption in accordance with these Conditions.

(b) *Early Redemption Amounts*

(i) Zero Coupon Notes

- (A) The Optional Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(d) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (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 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 (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the Issue Price of the first tranche of the Notes if they were discounted back to the Issue Price of the first tranche of the Notes on the Issue Date) compounded annually.
- (C) If the Optional Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(d) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Optional Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. 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 Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount 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 shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 5(b)(i) above), upon redemption of such Note pursuant to Condition 5(c), 5(d), 5(e) or 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

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

Unless the Issuer shall have given notice to redeem the Notes under Condition 5(d) or 5(f) on or prior to the expiration of the notice referred to below, and if "Call Option" is specified hereon, the Issuer may at its option, and having given not less than 15 nor more than 60 days' notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date specified hereon.

Any such redemption of Notes shall be at their Optional Redemption Amount (as may be provided for hereon) together with any interest accrued to (but excluding) the date fixed for redemption in accordance with these Conditions. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, 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 and stock exchange or other relevant authority requirements.

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

(d) *Redemption for Taxation Reasons*

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (i) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective on or after the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 14 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series on the next Interest Payment Date, the Issuer will or would be required to pay Additional Amounts; and
- (ii) the effect of the foregoing cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 15 nor more than 60 days' notice to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 15, the Noteholders (which notice shall specify the date set for redemption and shall, subject as aforesaid, be irrevocable) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Early Redemption Amount (which, unless otherwise specified hereon, shall be their principal amount) together with any accrued and unpaid interest to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts.

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

(e) *Redemption at the Option of Noteholders*

If a Put Option is specified hereon, the Issuer shall, at the option of the holder of any such 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 hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon together, if applicable with any accrued and unpaid interest to (but excluding) the date of 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, save that in circumstances where an Event of Default has occurred such Exercise Notice may be withdrawn and shall be revocable without the consent of the Issuer.

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

(f) *Redemption at the Option of the Issuer (Clean-up Call Option)*

This Condition 5(f) applies if "Clean-up Call Option" is specified hereon.

If 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 14 will be deemed to have been originally issued) has been redeemed and/or purchased and cancelled, then the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 15 nor more than 60 days' notice to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 15, the Noteholders (which notice shall, subject as aforesaid, be irrevocable) redeem all (but not some only) of the Notes, at any time, at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date of redemption.

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

(g) *Purchases*

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in any manner and at any price.

(h) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or 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 redeemed or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes and Coupons shall be discharged.

(i) *Trustee role on redemption; Trustee not obliged to monitor*

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of Condition 5(d) and will not be responsible to Noteholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has express notice pursuant to these Conditions or the Trust Deed of the occurrence of any event or circumstance to which Condition 5(d) relates, it shall be entitled to assume that no such event or circumstance exists or has arisen.

(j) *Compliance with stock exchange rules*

In connection with any redemption of the Notes in accordance with this Condition 5, the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

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 (in the case of all payments of principal 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, at the specified office of any Paying Agent outside the U.S. by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access T2.

(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 Condition 6(b)(ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register (i) where all or any of the Registered Notes are represented by a Global Certificate, at the close of the business day (being for this purpose a day on which DTC, Euroclear and/or Clearstream, Luxembourg, as applicable, are open for business) before the due date for payment thereof, and (ii) where none of the Registered Notes is represented by a Global Certificate 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 and to the holder (or to the first named of joint holders) of such Note by transfer to an account in the relevant currency maintained by the payee with a bank.

(c) ***Payments in the U.S.***

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 U.S. 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 U.S. law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) ***Payments subject to Fiscal Laws***

Without prejudice to the provisions of Condition 7, payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by or pursuant to such laws and regulations.

(e) ***Appointment of Agents***

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer (for all purposes other than ISDA Determination for Floating Rate Notes, where the Calculation Agent will be specified in the Final Terms or Pricing Supplement, as applicable) and their respective specified offices are listed above. Subject as provided in the Agency Agreement, the Issuing and Paying Agent, the 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 prior written 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, Calculation 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, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) a Paying Agent.

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 Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified hereon.

(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, Early Redemption Amount or Optional Redemption Amount as the case may be and as may be provided for hereon, 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 Fixed to Floating Rate Note, a Fixed Rate Reset Note or 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 relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, 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 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 paragraph, "**Business Day**" means a day (other than a Saturday or a Sunday) on which 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" hereon 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 T2 Business Day.

7 **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) *Other connection*: presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with a Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) *Lawful avoidance of withholding*: presented for payment by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment; or
- (c) *Presentation more than 30 days after the Relevant Date*: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day after the Relevant Date; or
- (d) *Any combination*: where such withholding or deduction arises out of any combination of paragraphs (a) to (c) above.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or

refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 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 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 7 or under any undertakings given in addition to, or in substitution for, it pursuant to the Trust Deed ("**Additional Amounts**").

Notwithstanding any other provision of these Conditions, 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.

8 Prescription

Claims against the Issuer for payment in respect of principal and interest payable on the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Events of Default and Enforcement

(a) Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified, prefunded and/or provided with security to its satisfaction) (but, in the case of the occurrence of any of the events described in Condition 9(a)(vii) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount, together with accrued interest as provided in the Trust Deed, if any of the following events shall occur and be continuing ("**Events of Default**"):

- (i) *Non-Payment*: default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or
- (ii) *Breach of Other Obligation*: the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter

mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- (iii) *Cross-Default*: (i) any Indebtedness, other than Indebtedness issued, incurred or subsisting between members of the Group, of the Issuer or any Material Subsidiary becomes due and payable and is accelerated prior to the stated maturity thereof by reason of any actual or potential event of default or the like (however described); (ii) the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness, other than Indebtedness issued, incurred or subsisting between members of the Group, on the due date for payment as extended by any originally applicable grace period; (iii) any mortgage, charge, pledge, lien or other encumbrance created or assumed by the Issuer or any Material Subsidiary for any Indebtedness, other than Indebtedness issued, incurred or subsisting between members of the Group, becomes enforceable and any step is taken to enforce the same; unless the aggregate amount of Indebtedness from time to time outstanding relating to all or any of the above events is less than £50,000,000 (or the equivalent in any other currency); or
- (iv) *Winding-Up*: any order is made by any competent court or resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any Material Subsidiary, save (i) for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution or (ii) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; or
- (v) *Cessation of Business*: the Issuer or the Group ceases or threatens to cease to carry on all or, in the opinion of the Trustee, substantially all of its business, save for the purposes of an amalgamation, merger, consolidation, transfer, reorganisation or restructuring whilst solvent (on terms approved in writing by the Trustee or by an Extraordinary Resolution); or
- (vi) *Insolvency*: (i) the Issuer or any Material Subsidiary stops or is unable to pay its debts (or any class of its debts) as they fall due, or suspends or threatens to stop payment of its debts, or (ii) proceedings are initiated against the Issuer or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, examiner, administrator or other similar official, or an administrative or other receiver, manager, examiner, administrator or other similar official is appointed, in relation to the Issuer or any Material Subsidiary, as the case may be, in relation to all or, in the opinion of the Trustee, substantially all of the undertakings or assets of any of them or an encumbrancer takes possession of all or, in the opinion of the Trustee, substantially all of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or, in the opinion of the Trustee, substantially all of the undertaking or assets of any of them, and (iii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, is not discharged within 30 days, save in each case for the purposes of or pursuant to an amalgamation, reorganisation or restructuring of the Issuer or any Material Subsidiary, as the case may be, whilst solvent; or
- (vii) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and

enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of England and Wales is not taken, fulfilled or done; or

- (viii) *Analogous Events*: any event occurs which, under the laws of any relevant jurisdiction, has or may have an analogous effect to any of the events referred to in subparagraphs (iv) and (vi) above.

(b) *Enforcement*

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes.

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in this Condition 9 against the Issuer to enforce the terms of the Trust Deed, the Notes or the Coupons or any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one fifth in principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(d) *Right of Noteholders and Couponholders*

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholders and the Couponholders shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

10 Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders (including by way of conference call or videoconference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Trust Deed) of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Trustee or Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Noteholders whatever the principal amount of the Notes held or represented, except that, at any meeting the business of which falls within the proviso to paragraph 2 of Schedule 3 to the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. 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.

The Trust Deed also provides that a written resolution executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding or consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of holders of not less than 75 per cent. in principal amount of the Notes outstanding who

would have been entitled to vote upon it if it had been proposed at a meeting at which they were present shall take effect as if it were an Extraordinary Resolution. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The agreement or approval of the Noteholders shall not be required in the case of (i) the implementation of any Benchmark Amendments described in Condition 4(n)(iv), (ii) the implementation of any Benchmark Replacement Conforming Changes described in Condition 4(n)(v) or (iii) any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or as reasonably required by the Issuer pursuant to Condition 11(a).

(b) *Modification of the Trust Deed*

In addition to the requirements of Condition 11, the Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed: (i) which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error. For the avoidance of doubt, such power shall not extend to any such modification as mentioned in the proviso to paragraph 2 of Schedule 3 to the Trust Deed or as reasonably required by the Issuer pursuant to Condition 11(a).

The agreement or approval of the Noteholders shall not be required in the case of any Benchmark Amendments or Benchmark Replacement Conforming Changes required by the Issuer pursuant to Condition 4(n).

(c) *Trustee to have regard to interests of Noteholders as a class*

Subject as provided below, in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution of obligor), the Trustee shall have regard to the general interests of the Noteholders and Couponholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed. In connection with any substitution pursuant to Condition 11(a)(ii), the Trustee shall have regard only to the matters expressly specified in Condition 11(a)(ii).

(d) *Notification to the Noteholders*

Any modification, abrogation, waiver, authorisation, determination or substitution pursuant to this Condition 10 shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

11 Substitution

(a) *Substitution*

(i) *Discretion to agree to substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to (a) such substitution not being, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, (b) certain additional conditions set out in the Trust Deed being satisfied (including no negative rating event with respect to the Notes) and (c) such amendment of these Conditions, the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders:

- (A) to the substitution of a successor in business of the Issuer in place of the Issuer or any previous substitute under this Condition 11 as principal debtor under the Trust Deed and the Notes; or
- (B) to the substitution of the Insurance Group Parent Entity in place of the Issuer or any previous substitute under this Condition 11 as principal debtor under the Trust Deed and the Notes; or
- (C) (subject to the Notes being unconditionally and irrevocably guaranteed on an unsubordinated basis by the Issuer), to the substitution of a Subsidiary or parent company of the Issuer or its successor in business in place of the Issuer or any previous substitute under this Condition 11 as principal debtor under the Trust Deed and the Notes.

(ii) *Requirement to agree to an Insurance Group Parent Entity Automatic Substitution*

The Trust Deed further provides that, if requested by the Issuer in respect of any Notes where Insurance Group Parent Entity Automatic Substitution is specified hereon as applicable and if the Issuer ceases, has ceased or, on the date of the substitution, will cease to be the Insurance Group Parent Entity for any reason (including, without limitation, as a result of, or in connection with, any transaction instigated by the Issuer or any of its shareholders or Subsidiaries or to which the Issuer or any of its shareholders or Subsidiaries is a party), the Trustee shall promptly agree, without the consent of the Noteholders or Couponholders, to the substitution of the Insurance Group Parent Entity in place of the Issuer or any previous substitute under this Condition 11 as principal debtor under the Trust Deed and the Notes and to the making of any consequential amendments to the Trust Deed and the Notes which the Issuer may reasonably require in connection therewith, without the requirement to satisfy any conditions other than the conditions which are expressly specified in the Trust Deed, which include:

- (A) the Notes being rated (at the request of the Issuer) by at least one of Moody's Investors Service Ltd. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings Ltd. or by any of their respective successors or affiliates immediately prior to the substitution and the Issuer certifying to the Trustee that:
 - (i) the Notes will, immediately following the substitution, continue to be rated (at the request of the Issuer) by at least one of such rating agencies; and

- (ii) no such rating agency has announced (or confirmed in writing to the Issuer) that it has downgraded (or will downgrade), or that it has placed (or will place) on review with negative implications, the rating assigned (at the request of the Issuer) to the Notes where the substitution (or potential substitution pursuant to this Condition 11) has been cited in such announcement or confirmation in writing as a reason for such downgrade or placing on review; and
- (B) the Notes being (or continuing to be): (i) listed on a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act 2007 or (ii) admitted to trading on a "multilateral trading facility" operated by an "EEA regulated recognised stock exchange" (within the meaning of section 987 of the Income Tax Act 2007), immediately following the substitution; and
- (C) the substitution not causing a Tax Event to occur in respect of the Notes immediately following the substitution.

The Trustee shall be required to accept a certificate from any two Directors of the Issuer to the Trustee confirming that the conditions to such a substitution are satisfied and the Trustee shall be entitled to rely absolutely on such a certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

For the avoidance of doubt, the substitution provisions described in this Condition 11(a)(ii) are separate from, and in addition to, the substitution provisions described in Condition 11(a)(i) above. Accordingly, the Issuer may, at its sole and absolute discretion, elect to request the substitution of the Insurance Group Parent Entity pursuant to the provisions described in this Condition 11(a)(ii) instead of pursuant to the provisions described in Condition 11(a)(i), or vice versa.

Any substitute pursuant to this Condition 11 is referred to in these Conditions as a "**Substituted Obligor**". On completion of any substitution pursuant to this Condition 11, all references in these Conditions to "the Issuer" shall be construed as references to the Substituted Obligor.

(b) *Change of law*

In the case of a substitution pursuant to this Condition 11, the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed provided that such change or the substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(c) *Notice to Noteholders*

The Issuer will give notice of any substitution pursuant to this Condition 11 to Noteholders in accordance with Condition 15 as soon as reasonably practicable following such substitution.

12 Indemnification of the Trustee and its Contracting with the Issuer

(a) *Indemnification and protection of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by

considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

(b) *Trustee contracting with the Issuer*

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

(c) *Reports and certificates*

The Trust Deed provides that the Trustee may rely and act upon the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant (including the auditors of the Issuer), surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee may also rely and act upon certificates and/or information addressed to it from, or delivered by, the Issuer, any Substituted Obligor or any one or more Directors of the Issuer or any Substituted Obligor or any of their respective auditors, liquidators, administrators or other insolvency officials. The Trustee will not be responsible to anyone for any liability occasioned by so relying and acting. Any such advice, opinion, information or certificate may be sent or obtained by letter, email, electronic communication or fax and the Trustee shall not be liable for acting in good faith on any advice, opinion, information or certificate purporting to be conveyed by such means even if it contains an error or is not authentic.

13 Replacement of Notes, Certificates, Coupons and Talons

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 Paying Agent or Transfer Agent. as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs 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 Notes, Certificates, Coupons 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.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any Series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Issue Date shall be to the Issue Date of the first Tranche of Notes of any Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any Series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other Series where the Trustee so decides.

15 Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to be given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed. 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 Europe. 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 publication is made, as provided above. The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

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 15.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes).

16 Contracts (Rights of Third Parties) Act 1999

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

17 Definitions

As used herein:

"Acquired Debt" means, with respect to any specified Person, Indebtedness of any other Person existing at the time such other Person is merged, consolidated, amalgamated or otherwise combined with or into or is acquired by or otherwise becomes a Subsidiary of such specified Person, provided that such Indebtedness is not incurred for the purpose of or to facilitate such other Person merging, consolidating, amalgamating or

otherwise combining with or into, or being acquired by or otherwise becoming a Subsidiary of, such specified Person;

"**Additional Amounts**" has the meaning given to it in Condition 7;

"**Additional Financial Centres**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Agency Agreement**" has the meaning given in the preamble to these Conditions;

"**Amortisation Yield**" has the meaning given to it in Condition 5(b) or the relevant Final Terms or Pricing Supplement, as applicable;

"**Amortised Face Amount**" has the meaning given to it in Condition 5(b);

"**Asset Management Subsidiary**" means any member of the Group from time to time which has, for the time being, a permission under Part IV of FSMA to carry out activities under Chapters V, VI, VII, VIII or XII of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and which is not an Insurance Subsidiary (or where such member of the Group conducts or is intending to conduct business outside the UK, a substantially similar permission, to the extent applicable to such business in the relevant jurisdiction) in respect of (without limitation) investment management, asset management and/or investment advice;

"**Asset Management Subsidiary Asset**" means any asset held or managed by an Asset Management Subsidiary on behalf of any member of the Group or for the benefit of a third party which is not a member of the Group;

"**Bearer Notes**" has the meaning given to it in Condition 1;

"**Calculation Agent(s)**" has the meaning given in the preamble to these Conditions or, in the case of Condition 4(c)(iii)(A), as defined therein;

"**Call Option**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Certificates**" has the meaning given in Condition 1;

"**Couponholders**" has the meaning given in the preamble to these Conditions;

"**Coupons**" has the meaning given in the preamble to these Conditions;

"**Directors**" means the directors of the Issuer or a Substituted Obligor (as the case may be) from time to time;

"**Early Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**EUWA**" means the European Union (Withdrawal) Act 2018;

"**Events of Default**" has the meaning given to it in Condition 9(a);

"**Exercise Notice**" has the meaning given to it in Condition 5(e);

"**Existing Bank Debt**" means existing and future indebtedness incurred or to be incurred pursuant to the revolving credit agreement dated 27 June 2019 (as amended, restated and/or extended from time to time) between, among others, the Issuer and National Westminster Bank Plc (as agent);

"**Existing Security Interests**" means any Security Interest existing as at the Issue Date;

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

"**Final Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**FSMA**" means the UK Financial Services and Markets Act 2000;

"**Group**" means the Issuer and its consolidated subsidiaries taken as a whole;

"**Holder**" has the meaning given to it in Condition 1;

"**IFRS**" means International Financial Reporting Standards as set out in the Group's most recent published financial statements;

"**Indebtedness**" means any indebtedness, in respect of any person for, or in respect of, moneys borrowed or raised including, without limitation and in each case without double counting, (i) any amount raised under any acceptance credit facility, (ii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, (iii) any amount raised under any other transaction (including any forward sale or purchase agreement and the principal component of all obligations, or liquidation preference, of such Person with respect to any preferred stock or redeemable stock (but excluding, in each case, any accrued dividends)) having the economic effect of a borrowing and treated as such under IFRS, (iv) any finance leases, (v) deferred purchase price or conditional sale obligations, (vi) hedging obligations entered into for speculative purposes (but for the avoidance of doubt, excluding hedging obligations entered into other than for speculative purposes), (vii) guarantees by such Person of the principal component of Indebtedness of other Persons to the extent guaranteed by such Person and (viii) the amount of any liability in respect of any guarantee, security or indemnity for any of the items referred to above, including of other Persons;

"**Insurance Group**" means the Insurance Group Parent Entity and its Subsidiaries;

"**Insurance Group Parent Entity**" means the Issuer, or any Subsidiary or parent company of the Issuer which from time to time constitutes the highest entity in the relevant insurance group or other financial group for which supervision of group capital resources or solvency is required (whether or not such requirement is waived in accordance with the Relevant Rules) pursuant to the Regulatory Capital Requirements in force from time to time;

As at the date of this Prospectus, the Insurance Group Parent Entity is the Issuer.

"**Insurance Subsidiary**" means any member of the Group from time to time which has, for the time being, a permission under Part IV of FSMA (or where such member of the Group conducts or is intending to conduct business outside the UK, a substantially similar permission, to the extent applicable to such business in the relevant jurisdiction) to effect and/or carry out contracts of insurance or in respect of reinsurance, but excluding, for the avoidance of doubt, Investment Vehicles and Share Scheme Vehicles;

"**Interest Basis**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Interest Commencement Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Interest Payment Date**" has the meaning given to it in Condition 4(c);

"**Investment Vehicle**" means any entity (whether or not such entity is a body corporate), including compartments thereof, from time to time, in each case provided Investors (as defined below) do not have operational control over the investment activities in respect thereof (save as customarily contained in investment management agreements, mandates or similar arrangements):

- (a) the primary purpose of which is to make investments on behalf of or to raise capital from members of the Group (together, excluding any Asset Management Subsidiary, the "**Investors**") and/or third party

investors to invest in accordance with a defined investment policy (as may be amended from time to time); or

- (b) in which funds from Investors are used to participate in joint ventures; or
- (c) in which funds are invested by any entity described in (a) or (b) above; or
- (d) the primary purpose of which is to act as a general partner, managing limited partner, management company (or other entity with similar purpose) in respect of any entity referred to in paragraphs (a), (b) or (c) above;

"Issue Date" has the meaning given in the preamble of these Conditions;

"Issue Price" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"Issuer" has the meaning given in the preamble to these Conditions;

"Issuing and Paying Agent" has the meaning given in the preamble to these Conditions;

"Level 2 Regulations" means the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of the European Union on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019;

"London Stock Exchange" means the London Stock Exchange plc;

"Maximum Rate of Interest" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"Maximum Redemption Amount" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"Material Subsidiary" means at any time a direct or indirect Subsidiary of the Issuer which has net assets representing 5 per cent. or more of the consolidated net assets of the Group, calculated on a consolidated basis in accordance with the then most recent audited consolidated financial statements of the Issuer, unless in each case such Person has transferred all or substantially all of its assets to another Person pursuant to an insurance business transfer scheme made under Part VII of FSMA. If a Person becomes a member of the Group after the end of the financial period to which the most recent published consolidated financial statements of the Group relate, those financial statements shall be adjusted as if that Person had been shown in them by reference to its then latest audited financial statements and until published consolidated financial statements of the Group for the financial period in which the acquisition is made have been published. For the purpose of this definition, a certificate of two directors of the Issuer (whether or not addressed to the Trustee) that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties;

"Maturity Date" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"Minimum Rate of Interest" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"Minimum Redemption Amount" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"Non-recourse Borrowings" means any Indebtedness for moneys borrowed to finance the ownership, acquisition, development and/or operation of an asset (including in respect of value in force, embedded value or analogous financings) in respect of which the person or persons to whom any such indebtedness for

moneys borrowed is or may be owed by the relevant borrower has or have no recourse whatsoever to the Issuer or any Material Subsidiary of the Issuer for the repayment thereof other than: (a) recourse to such borrower for amounts limited to the cash flow or net cash flow from such asset; and/or (b) recourse to such borrower for the purpose only of enabling amounts to be claimed in respect of such indebtedness for borrowed money in an enforcement of any encumbrance given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure indebtedness for moneys borrowed, provided that (i) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on such enforcement, and (ii) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness for moneys borrowed, to commence proceedings for the winding-up or dissolution of the borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the borrower or any of its assets (save for the assets the subject of such encumbrance); and/or (c) recourse to such borrower generally, or directly or indirectly to the Issuer or any Material Subsidiary of the Issuer, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof) by the person against whom such recourse is available;

"**Noteholder**" has the meaning given to it in Condition 1;

"**Optional Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Optional Redemption Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**ordinary course of business**" includes, without limitation:

- (a) in respect of an Insurance Subsidiary:
 - (i) inwards or outwards insurance or reinsurance business carried out by such Insurance Subsidiary;
 - (ii) inwards or outwards transfers of insurance policies undertaken by such Insurance Subsidiary under Part VII of FSMA or any successor legislation thereto;
 - (iii) stock lending transactions undertaken by or on behalf of such Insurance Subsidiary;
 - (iv) investment business undertaken by or on behalf of such Insurance Subsidiary; and
 - (v) any other activities carried out in accordance with paragraph 9.1 of the chapter entitled "Conditions Governing Business" of the PRA Rulebook for Solvency II Firms (or any successor thereto or replacement thereof) forming part of the handbook of rules and guidance published by the Prudential Regulation Authority (or any successor thereof) of the United Kingdom;
- (b) in respect of an Asset Management Subsidiary, carrying out asset management activities, investment management activities and/or providing investment advice, and ancillary activities related thereto;
- (c) in respect of members of the Group which are not an Asset Management Subsidiary or an Insurance Subsidiary, carrying out financial investment activities, treasury activities (such as buying and selling securities and other investments, non-speculative hedging activity and related credit support activities, but for the avoidance of doubt excluding the issuance of Indebtedness) and/or service company activities;

"**Paying Agents**" has the meaning given in the preamble to these Conditions;

"Permitted Security Interest" means any Security Interest:

- (a) arising by operation of law;
- (b) arising in connection with Non-recourse Borrowings;
- (c) arising in connection with Indebtedness issued, incurred or subsisting between members of the Group;
- (d) arising in respect of deferred payment terms which are paid within six months;
- (e) arising (i) in the ordinary course of business of, or on behalf of, an Insurance Subsidiary or an Asset Management Subsidiary, (ii) (to the extent not already covered by (i)) in respect of any assets representing some or all of the fund or funds maintained by the Issuer or any Insurance Subsidiary in respect of any contract of insurance (as defined in the FSMA 2000 (Regulated Activities) Order 2001) or (iii) in respect of any Asset Management Subsidiary Asset;
- (f) arising in connection with any pension scheme relating to employees or other staff of any member of the Group;
- (g) under any retention of title arrangements and rights of set-off arising in the ordinary course of the business of the relevant member of the Group with suppliers of goods to any member of the Group;
- (h) under any netting or set-off arrangement or credit support arrangements entered into under any hedging or derivative transaction and not for speculative purposes;
- (i) under any netting or set-off arrangement entered into by a member of the Group in the ordinary course of the Group's banking arrangements;
- (j) over or affecting any asset acquired by a member of the Group which is incurred under arrangements in existence at the date of acquisition, but only for a period of six months from the completion of the acquisition and provided that:
 - (i) such security was not incurred or created in contemplation of the acquisition of that asset; and
 - (ii) the principal amount secured by such security has not been increased in contemplation of, or since the date of, the acquisition of that asset;
- (k) granted in connection with the amendment, restatement and/or extension of any Existing Bank Debt (as amended, restated and/or extended where either the existing borrowers under such Existing Bank Debt remain as borrowers or the Issuer becomes the borrower under such amended and/or extended Indebtedness), subject to the new Security Interest being either:
 - (i) required or deemed beneficial in connection with any regulatory requirement applicable or which will become applicable to any member of the Group; or
 - (ii) on substantially similar terms (and over substantially similar assets) as an Existing Security Interest granted in connection with the same Existing Bank Debt (as so amended, restated and/or extended);
- (l) granted in connection with any Existing Bank Debt subject to the new Security Interest being required or deemed beneficial in connection with any regulatory requirement applicable or which will become applicable to any member of the Group;
- (m) securing Acquired Debt, provided such Security Interest(s) over such Acquired Debt is released within six months of being acquired; or

(n) securing Indebtedness the principal amount of which (when aggregated with the principal amount of any other Indebtedness which has the benefit of such Security Interests given by any member of the Group other than any permitted under paragraphs (a) to (m) above) does not at any time exceed £20,000,000 (or its equivalent in another currency or currencies);

"**Person**" means any individual, corporation, company, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or other entity;

"**PRA**" means the Bank of England acting as the UK Prudential Regulation Authority through its Prudential Regulatory Committee or such successor or other authority having primary supervisory authority with respect to prudential matters in relation to the Issuer, the Insurance Group and/or the Insurance Group Parent Entity;

"**Proceedings**" has the meaning given to it in Condition 18(b);

"**Put Option**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Rate of Interest**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Record Date**" has the meaning given to it in Condition 6(b);

"**Redemption Basis**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Register**" has the meaning given in Condition 1;

"**Registered Notes**" has the meaning given to it in Condition 1;

"**Registrar**" has the meaning given in the preamble to these Conditions;

"**Regulatory Capital Requirements**" means any applicable capital resources requirement or applicable overall financial adequacy rule required by the PRA pursuant to the Relevant Rules, as such requirements or rules are in force from time to time;

"**Relevant Date**" has the meaning given in Condition 7;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other similar debt securities which for the time being are, or are intended to be or are capable of being quoted, listed or dealt in or traded on any stock exchange or, with the agreement of the Issuer or any Material Subsidiary of the Issuer, any over-the-counter or other securities market other than Indebtedness which has a stated maturity not exceeding one year;

"**Relevant Jurisdiction**" means the United Kingdom, or in each case any political subdivision or any authority thereof or therein having power to tax or, in either case, any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject to tax in respect of payments made by it of principal and/or interest on the Notes in respect thereof;

"**Relevant Rules**" means, at any time, any legislation, rules, regulations or published regulatory expectations (whether having the force of law or otherwise) then applying to the Issuer, the Insurance Group Parent Entity or the Insurance Group relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and without limitation to the foregoing, includes (to the extent then applying as aforesaid) Solvency II, any legislation, rules, regulations or published regulatory expectations implementing Solvency II and any legislation, rules or regulations of the PRA relating to such matters;

"**Security Interest**" has the meaning given in Condition 3(b);

"**Series**" has the meaning given in the preamble to these Conditions;

"**Share Scheme Vehicles**" means any entity established for the purpose of, or which becomes primarily involved in, share incentive schemes (as structured from time to time) relating to employees or other staff of any member of the Group;

"**Solvency II**" means the United Kingdom transposition of the Solvency II Directive and the Level 2 Regulations, as they each form part of retained EU law (as defined in the EUWA), as amended from time to time and any additional measures adopted to give effect thereto (whether implemented by way of regulation, guidelines or otherwise);

"**Solvency II Directive**" means Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

"**Specified Denomination**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Subsidiary**" (i) for the purposes of Insurance Group and Insurance Group Parent Entity, has the meaning given to it under Section 1159 of the Companies Act 2006 (as amended from time to time) and (ii) otherwise for the purposes of these Conditions, means any corporation, association, partnership, joint venture, limited liability company or other business entity of which more than 50% of the total voting power of shares or other interests (including partnership and joint venture interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary refers to a Subsidiary of the Issuer and, for the purposes of these Conditions, Share Scheme Vehicles and Investment Vehicles shall not at any time constitute Subsidiaries of the Issuer;

"**Substituted Obligor**" has the meaning given to it in Condition 11(a);

"**successor in business**" has the meaning given in the Trust Deed;

"**Tranche**" has the meaning given in the preamble to these Conditions;

"**Transfer Agents**" has the meaning given in the preamble to these Conditions;

"**Trust Deed**" has the meaning given in the preamble to these Conditions;

"**Trustee**" has the meaning given in the preamble to these Conditions; and

"**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

18 Governing Law and Jurisdiction

(a) Governing law

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

(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 ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England in respect of any such Proceedings (but this is without prejudice to the rights of the Trustee or

the Noteholders to commence Proceedings in any jurisdiction and/or concurrent Proceedings in one or more jurisdictions to the extent permitted by law).

TERMS AND CONDITIONS OF THE TIER 3 NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented 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 and except for the paragraphs in italics, shall be applicable to the Tier 3 Notes in definitive form (if any) issued in exchange for the Global Note(s) or Certificates representing each Series of Tier 3 Notes. The full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or Pricing Supplement (as applicable) shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. Accordingly, references in these terms and conditions to provisions "specified hereon" or "specified as such hereon" shall be to the provisions endorsed on the face of the relevant Note or Certificate or set out in the relevant Final Terms or Pricing Supplement (as applicable). 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 these 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. These Conditions shall be applicable to those Notes which are specified to be "Tier 3 Notes" in the relevant Final Terms or Pricing Supplement. References in these Conditions to "Notes" are to the Tier 3 Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a Series (as defined below) of Notes issued by Phoenix Group Holdings plc (the "**Issuer**") constituted by a trust deed dated 24 June 2019 as most recently amended and restated on 30 June 2023 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**")) (the "**Trust Deed**") between the Issuer and Citibank, N.A., London Branch (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 terms and 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 24 June 2019 as most recently amended and restated on 30 June 2023 (as amended or supplemented 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 initial issuing and paying agent, Citibank Europe plc as registrar 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 include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and (unless otherwise set out herein or hereon) the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours and upon reasonable notice at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and 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. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same

terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market in the United Kingdom or offered to the public in the United Kingdom in circumstances which require the publication of a Prospectus under the UK Prospectus Regulation (Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA) or the Financial Services and Markets Act 2000, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Fixed to Floating Rate Note, a Fixed Rate Reset Note or a Floating Rate Note or a combination of the foregoing, depending upon the Interest Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass upon 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 hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Transfers of Registered Notes

(a) *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 (as set out in Schedule 1 of the Trust Deed) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. 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.

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

In the case of an exercise of an Issuer's option in respect of a holding of Registered Notes represented by a single Certificate 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. 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.

(c) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three Business Days of receipt of the form of transfer and 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 form of transfer 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 form of transfer 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 Registrar or relevant Transfer Agent (as applicable) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**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).

(d) *Transfer Free of Charge*

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 by the person submitting such Notes or Certificates that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) *Closed Periods*

No Noteholder may require the transfer of a Note (or part thereof) to be registered during the period of 15 days ending on the due date for any payment of principal or interest or during the period following delivery of a notice of a voluntary payment of Arrears of Interest in accordance with Condition 5(c) and Condition 16 and ending on the date referred to in such notice as having been fixed for such payment of Arrears of Interest.

3 Status of the Notes

(a) *Status*

The Notes and the Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in any Issuer Winding-Up are as described in the Trust Deed, this Condition 3 and Condition 10.

(b) *Issuer Winding-Up*

Subject to Condition 3(c), if:

- (i) at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, (A) a solvent winding-up solely for the purpose of a reconstruction or amalgamation, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution and do not provide that the Notes or any amount in respect thereof shall thereby become payable or (B) the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer in accordance with the provisions of Condition 12); or
- (ii) an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend or other distribution of the assets of the Issuer,

(the events in Conditions 3(b)(i) and 3(b)(ii) each being an "**Issuer Winding-Up**"), the rights and claims of the Trustee (on behalf of the Noteholders and Couponholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed which shall not be subordinated), the Noteholders and the Couponholders against the Issuer in relation to the Notes, the Coupons and the Trust Deed (including, without limitation, any damages awarded for breach of any obligations under the Notes, the Coupons and the Trust Deed) will be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors of the Issuer, but shall rank:

- (A) at least *pari passu* with (i) all claims of holders of subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which have the necessary features to qualify as Tier 3 Capital as at their issue date and/or (in the case of financings entered into prior to 18 April 2018) which are, or have been, incurred by the Issuer in relation to a financing transaction where some or all of the initial proceeds from the relevant financing transaction were on-lent by the Issuer or any Subsidiary of the Issuer to any member of the Insurance Group in a form having the necessary features to qualify as Tier 3 Capital as at the date such on-loan was made and (ii) all claims of holders of other subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which rank, or are expressed to rank, *pari passu* with the Notes (together, the "**Parity Obligations of the Issuer**"); and
- (B) in priority to (i) the claims of holders of obligations of the Issuer which have the necessary features to qualify as Tier 2 Capital as at their issue date and/or (in the case of financings entered into prior to 18 April 2018) which are, or have been, incurred by the Issuer in relation to a financing transaction where some or all of the initial proceeds from the relevant financing transaction were on-lent by the Issuer or any Subsidiary of the Issuer to any member of the Insurance Group in a form having the necessary features to qualify as Tier 2 Capital as at the date such on-loan was made (and shall include, without limitation and for so long as any of the same shall remain outstanding, the Issuer's £428,113,000 6.625 per cent. Subordinated Notes due 2025 (ISIN XS1171593293)), (ii) the claims of holders of any undated or perpetual subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee), (iii) the claims of holders of any subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which rank, or are expressed to rank, junior to the Notes and (iv) the claims of holders of all classes of shares in the Issuer (together, the "**Junior Obligations of the Issuer**").

(c) ***No Prejudice to Trustee Remuneration***

Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

(d) ***Solvency Condition***

Other than in circumstances where an Issuer Winding-Up has occurred or is occurring (but subject to Condition 3(c)), all payments under or arising from (including any damages awarded for breach of any obligations under) the Notes, the Coupons or the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be payable under or arising from the Notes, the Coupons or the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

For the purposes of this Condition 3(d), the Issuer will be solvent if (i) it is able to pay its debts owed to Senior Creditors of the Issuer and Parity Creditors of the Issuer as they fall due and (ii) its Assets exceed its Liabilities.

A certificate as to the solvency or lack thereof of the Issuer signed by two Directors of the Issuer or, if there is a winding-up or administration of the Issuer, the liquidator or, as the case may be, the administrator of the Issuer shall (in the absence of manifest error) be treated and accepted by the Issuer, the Trustee, the Noteholders, the Couponholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(e) ***Set-off, etc.***

By acceptance of the Notes and/or the Coupons, and subject to applicable law, each Noteholder and each Couponholder will be deemed to have waived and to have directed and authorised the Trustee on its behalf to have waived any right of set-off or counterclaim that such Noteholder or Couponholder might otherwise have against the Issuer in respect of or arising under the Notes, the Coupons or the Trust Deed whether prior to or in liquidation, winding-up or administration. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder or Couponholder in respect of or arising under the Notes, the Coupons or the Trust Deed are discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the relevant liquidation, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

4 Interest and other Calculations

(a) ***Interest on Fixed Rate Notes and Fixed to Floating Rate Notes***

Each Fixed Rate Note or Fixed to Floating Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest to (but excluding), (i) in the case of Fixed to Floating Rate Notes, the Fixed Rate End Date specified hereon, and (ii) in the case of Fixed Rate Notes, the Maturity Date specified hereon, and such interest shall (subject to Conditions 3(d) and 5) be payable in arrear on each Interest Payment Date specified hereon. The amount of interest payable shall be determined in accordance with Condition 4(e).

(b) ***Interest on Fixed Rate Reset Notes***

Each Fixed Rate Reset Note bears interest on its outstanding principal amount (unless a Benchmark Event has occurred, in which case the First Reset Rate of Interest and/or any Subsequent Reset Rate of Interest, as applicable, shall be determined pursuant to and in accordance with Condition 4(1)):

- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Note Reset Date at the Initial Rate of Interest;
- (ii) from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date 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,

and such interest shall (subject to Conditions 3(d) and 5) be payable, in each case, in arrear on the Interest Payment Dates specified hereon. The amount of interest payable shall be determined in accordance with Condition 4(e).

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

(c) *Interest on Floating Rate Notes and Fixed to Floating Rate Notes*

- (i) Interest Payment Dates

Each Floating Rate Note and each Fixed to Floating Rate Note bears interest on its outstanding principal amount from (and including), in the case of a Floating Rate Note, the Interest Commencement Date and, in the case of a Fixed to Floating Rate Note, the Fixed Rate End Date specified hereon at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest shall (subject to Conditions 3(d) and 5) be payable in arrear on each Interest Payment Date in the case of a Floating Rate Note and on each Interest Payment Date commencing after the Fixed Rate End Date specified hereon in the case of a Fixed to Floating Rate Note. The amount of interest payable shall be determined in accordance with Condition 4(e). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first such Interest Payment Date, after the Interest Commencement Date, in the case of a Floating Rate Note, or after the Fixed Rate End Date, in the case of a Fixed to Floating Rate Note.

- (ii) Business Day Convention

If any date referred to in these Conditions 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 hereon is (A) the Floating Rate Business Day Convention, 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 such subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) Rate of Interest for Floating Rate Notes and Fixed to Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes and, from and including the Fixed Rate End Date, Fixed to Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon (unless a Benchmark Event has occurred, in which case the relevant Rate of Interest shall be determined pursuant to and in accordance with Condition 4(l)).

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each relevant Interest Accrual Period shall be determined by the Calculation Agent, subject to Condition 4(l), as a rate equal to the relevant ISDA Rate. 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 hereon;
- (y) the Designated Maturity is a period specified as such hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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.

Unless otherwise specified hereon, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination – Floating Rate Notes referencing EURIBOR

(x) Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate specified hereon is EURIBOR, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l) and subject as provided below, be either:

- (1) the offered quotation; or
- (2) 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 11.00 a.m. (Brussels time), on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) subject to Condition 4(1), if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) 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 Issuer shall request the principal Eurozone office of each of the Reference Banks to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and 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 arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in euro for a period equal to that which would have been used for the Reference Rate by leading banks in the Eurozone inter-bank market or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the rate of interest shall be the offered rate for deposits in euro 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 euro for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time), 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 Issuer it is quoting to leading banks in the Eurozone inter-bank market provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum 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 or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

Unless otherwise specified hereon, the Minimum Rate of Interest shall be deemed to be zero.

- (C) Screen Rate Determination – Floating Rate Notes Referencing SONIA (Non-Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is SONIA and (iii) Index Determination is specified hereon as "Not Applicable", the Rate of

Interest for each Interest Accrual Period will, subject to Condition 4(l) and subject as provided below, be Compounded Daily SONIA, as determined by the Calculation Agent.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Observation Period;

"**d₀**" means the number of London Banking Days in:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Observation Period;

"**i**" is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from, and including:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the first London Banking Day in the relevant Interest Accrual Period to, and including, the last London Banking Day in the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the first London Banking Day in the relevant Observation Period to, and including, the last London Banking Day in the relevant Observation Period;

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

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

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

"**p**" means, for any Interest Accrual Period, the whole number specified hereon (or, if no such number is so specified, five, provided that a number lower than five may only be so specified by the Issuer with the prior agreement of the Calculation Agent) representing a number of London Banking Days;

the "**SONIA reference rate**", in respect of any London Banking Day, means a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day) or, if the SONIA reference rate cannot be obtained from the Relevant Screen Page or is not otherwise published by such authorised distributors, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate) in respect of such London Banking Day; and

"**SONIA_{i-PLBD}**" means:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i"; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for that day.

If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads). If such Bank Rate is not available, then the SONIA reference rate in respect of such London Banking Day shall be the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the

relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

In the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest specified hereon 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 the 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 Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" London Banking Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(D) Screen Rate Determination – Floating Rate Notes Referencing SONIA (Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is SONIA and (iii) Index Determination is specified hereon as "Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(1) and subject as provided below, be the SONIA Compounded Index Rate as determined by the Calculation Agent.

"SONIA Compounded Index Rate" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) and will be

calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards:

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1 \right) \times \frac{365}{d}$$

where:

"London Banking Day" and **"Observation Period"** have the meanings set out under Condition 4(c)(iii)(C);

"d" means the number of calendar days in the relevant Observation Period;

"p" means, for any Interest Accrual Period, the whole number specified hereon (or, if no such number is so specified, five, provided that a number lower than five shall only be so specified with the prior agreement of the Calculation Agent) representing a number of London Banking Days in the Observation Period;

"SONIA Compounded Index" means the index known as the "SONIA Compounded Index" administered by the Bank of England (or any successor administrator thereof);

"SONIA Compounded Index_{END}" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the date falling "p" London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period);

"SONIA Compounded Index_{START}" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the date falling "p" London Banking Days prior to the first day of such Interest Accrual Period; and

"SONIA Compounded Index Value" means, in relation to any London Banking Day, the value of the SONIA Compounded Index as published on the Relevant Screen Page on such London Banking Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of the relevant London Banking Day.

Subject to Condition 4(1), if the SONIA Compounded Index Value is not available by 5:00 p.m. (London Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date in relation to any Interest Accrual Period on the Relevant Screen Page or the Bank of England's website (or such other page or website referred to in the definition of "SONIA Compounded Index Value" above) for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Rate of Interest for such Interest Accrual Period shall be "Compounded Daily SONIA" determined as set out in Condition 4(c)(iii)(C) above and as if Index Determination were specified hereon as being "Not Applicable", and for these purposes: (A) the "Observation Method" shall be

deemed to be "Observation Shift"; and (B) the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" specified hereon.

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" London Banking Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(E) Screen Rate Determination – Floating Rate Notes Referencing SOFR (Non-Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is either Compounded Daily SOFR or Weighted Average SOFR and (iii) Index Determination is specified hereon as "Not Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l)(v) be as provided below.

Where it is specified hereon that the Reference Rate is Compounded Daily SOFR, the provisions of paragraph (1) below of this Condition 4(c)(iii)(E) apply.

Where it is specified hereon that that the Reference Rate is Weighted Average SOFR, the provisions of paragraph (2) below of this Condition 4(c)(iii)(E) apply.

(1) *Compounded Daily SOFR*

Where this paragraph (1) applies, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l)(v) and subject as provided below, be Compounded Daily SOFR, as determined by the Calculation Agent.

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

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

where:

"**d**" is the number of calendar days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

"**D**" means the number specified as such hereon (or, if no such number is so specified, 360);

"**d_o**" means the number of U.S. Government Securities Business Days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

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

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

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

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

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

"**p**" means, for any Interest Accrual Period, a whole number specified hereon (or, if no such number is so specified, five) representing a number of U.S. Government Securities Business Days;

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

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

"**SOFR_i**" means the SOFR for:

- (i) where "Lag" is specified as the Observation Method hereon, the U.S. Government Securities Business Day falling "**p**" U.S. Government Securities

Business Days prior to the relevant U.S. Government Securities Business Day "i";

- (ii) where "Lock-out" is specified as the Observation Method hereon:
 - (a) in respect of each U.S. Government Securities Business Day "i" that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or
 - (b) in respect of each U.S. Government Securities Business Day "i" that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or
- (iii) where "Observation Shift" is specified as the Observation Method hereon, the relevant U.S. Government Securities Business Day "i"; and

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

(2) *Weighted Average SOFR*

Where this paragraph (2) applies, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l)(v) and subject as provided below, be Weighted Average SOFR, as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards), where:

"Weighted Average SOFR" means:

- (i) where "Lag" is specified as the Observation Method hereon, the arithmetic mean of the SOFR in effect for each calendar day during the relevant SOFR Observation Period, calculated by multiplying each relevant SOFR by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant SOFR Observation Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day; and
- (ii) where "Lock-out" is specified as the Observation Method hereon, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying each relevant SOFR by the number of days such rate is in effect, determining the sum of such products and dividing

such sum by the number of calendar days in the relevant Interest Accrual Period, provided however that for any calendar day of such Interest Accrual Period falling in the Lock-out Period, the relevant SOFR for each day during that Lock-out Period will be deemed to be the SOFR in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall, subject to the proviso above, be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day.

Capitalised terms used in this paragraph (2) and not otherwise defined herein have the meanings given to them in paragraph (1) above of this Condition 4(c)(iii)(E).

(3) *SOFR Unavailable*

Subject to Condition 4(l)(v), if, where any Rate of Interest is to be calculated pursuant to this Condition 4(c)(iii)(E), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4(c)(iii)(E) but without prejudice to Condition 4(l)(v), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of the penultimate paragraph of Condition 4(c)(iii)(C).

(4) *Rate of Interest for an irregular period*

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" U.S. Government Securities Business Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(F) Screen Rate Determination – Floating Rate Notes Referencing SOFR (Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is Compounded Daily SOFR and (iii) Index Determination is specified hereon as "Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l)(v) and subject as provided below, be the Compounded SOFR Index Rate, as determined by the Calculation Agent.

"**Compounded SOFR Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (expressed as a percentage and rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards):

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

where:

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

"**Relevant Number**" means the number of U.S. Government Securities Business Days specified as such hereon (or, if no such number is so specified, five);

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

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

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

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

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

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

If, as at any relevant SOFR Determination Time, the SOFR Index_{Start} or the SOFR Index_{End} is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR Index Rate for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 4(c)(iii)(E) as if "Index Determination" were specified hereon as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift" and

(ii) "p" shall be deemed to be equal to the Relevant Number, as if such alternative elections had been made hereon.

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling the Relevant Number of U.S. Government Securities Business Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(d) *Margin, Maximum/Minimum Rates of Interest and Rounding*

- (i) If any Margin is specified hereon (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

In setting the Maximum or Minimum Rate of Interest, the Issuer shall have consideration to the limitations set out in any Relevant Rules.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) 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), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) 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 or countries of such currency.

(e) *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 hereon, 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 for the

period for which interest is required to be calculated. Where the Specified Denomination comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination specified hereon.

(f) *Linear Interpolation*

Where Linear Interpolation is specified hereon 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 hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon 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 a 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.

(g) *Determination and Publication of Rates of Interest and Interest Amounts*

The Calculation Agent shall, subject to Condition 4(l), as soon as practicable on each Interest Determination Date or Reset Determination Date (as applicable), 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, 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 to be notified to the Trustee, the Issuer, each of the Paying Agents, 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 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 any event no 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(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall 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. 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 upon all parties.

(h) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the

Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Issuing and Paying Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) ***Accrual of Interest***

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

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issuing and Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 16.

(j) ***Definitions***

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

"**Anniversary Date**" means the date specified as such hereon.

"**Applicable Maturity**" has the meaning given to it in Condition 4(f).

"**Benchmark Frequency**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**Benchmark Gilt**" means such United Kingdom government security having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer, on the advice of an investment bank or financial adviser of international repute, may determine would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling and of a comparable maturity to the relevant Reset Period.

"**Benchmark Gilt Quotation**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank on a dealing basis for settlement on the next following dealing day in London.

"**Benchmark Gilt Rate**" means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to three decimal places, with 0.0005 rounded upwards) determined by the Calculation Agent on the basis of the Benchmark Gilt Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Issuer and by the Issuer to the Calculation Agent at approximately 3.00 p.m. (London time) on the Reset Determination Date in respect of such Reset Period. 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 Reset Period commencing on the First Reset Note Reset Date, the Reset Rate in respect of the

immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Note Reset Date, an amount specified hereon as the "First Reset Period Fallback".

"**Broken Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**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; and/or
- (ii) in the case of euro, a day on which T2 is open for the settlement of payments in euro (a "**T2 Business Day**"); and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres specified hereon, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"**Business Day Convention**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**Calculation Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**CMT Designated Maturity**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"**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 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 4:30 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 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 the U.S. Government Securities Business Day following such Reset Determination Date.

"**CMT Rate Screen Page**" has the meaning given to it in the relevant Final Terms or Pricing Supplement 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.

"**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 Interest Accrual Period, the "**Calculation Period**"):

- (i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, 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 hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, 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 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;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, 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;

- (vii) if "**30E/360 (ISDA)**" is specified hereon, 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

- (viii) if "**Actual/Actual-ICMA**" is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the 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; and

(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 (1) the number of days in such Determination Period and (2) 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 (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Date**" means the date specified as such hereon or, if none is so specified, the Interest Payment Date; and

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"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.

"Eurozone" means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"First Reset Note Reset Date" means the date specified as such hereon.

"First Reset Period" means the period from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date.

"First Reset Period Fallback" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"First Reset Rate of Interest" means the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the Reset Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the First Reset Period (such calculation to be made by the Calculation Agent)).

"Fixed Leg" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Fixed Rate End Date" means the date specified as such hereon.

"Floating Leg" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Floating Rate Business Day Convention" has the meaning given to it in Condition 4(c).

"Following Business Day Convention" has the meaning given to it in Condition 4(c).

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

"Initial Rate of Interest" means the initial rate of interest per annum specified hereon.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date, in respect of the Floating Rate Notes, and the Fixed Rate End Date, in respect of the Fixed to Floating Rate Notes, 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, 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, Fixed Rate Reset Notes, and, prior to the Fixed Rate End Date, Fixed to Floating Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and, 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 hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified: (i) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Reference Rate is EURIBOR or (ii) if the Reference Rate is SONIA, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Accrual Period or (iii) if the Reference Rate is SOFR, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Accrual Period.

"Interest Payment Date" has the meaning given to it in Condition 4(c).

"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.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2006 ISDA Definitions as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc. unless otherwise specified hereon.

"ISDA Determination" has the meaning given to it in Condition 4(c).

"ISDA Rate" has the meaning given to it in Condition 4(c).

"Margin" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

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

- (i) 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 Note 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 the 6-month EURIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified hereon; or
- (ii) if the Specified Currency is not euro, for the Fixed Leg (as set out hereon) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Note 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 hereon).

"Mid-Swap Rate" means in respect of a Reset Period, (i) the applicable semi-annual or annual (as specified hereon) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified hereon) 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 or (ii) if such rate is not displayed on the Screen Page at such time and date, the relevant Reset Reference Bank Rate.

"Modified Following Business Day Convention" has the meaning given to it in Condition 4(c).

"Preceding Business Day Convention" has the meaning given to it in Condition 4(c).

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Issuer or as specified hereon.

"Reference Rate" means (i) EURIBOR, (ii) SONIA, (iii) Compounded Daily SOFR or (iv) Weighted Average SOFR, as specified hereon.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"Reset Determination Date" means, in respect of a Reset Period, (a) each date specified as such hereon or, if none is so specified, (b) (i) if the Specified Currency is sterling, the day falling two Business Days prior to the first day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two T2 Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is US dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period (without prejudice to the operation of the fallbacks set out in paragraph (iii) of the definition of "CMT Rate") (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 Margin" means the margin (expressed as a percentage) specified as such hereon.

In setting the Reset Margin the Issuer shall have consideration to the limitations set out in any Relevant Rules.

"Reset Note Reset Date" means every date which falls on each Anniversary Date as may be specified hereon.

"Reset Period" means the First Reset Period or a Subsequent Reset Period.

"Reset Rate" means (a) if "Mid-Swap Rate" is specified hereon, the relevant Mid-Swap Rate, (b) if "Benchmark Gilt Rate" is specified hereon, the relevant Benchmark Gilt Rate or (c) if "CMT Rate" is specified hereon, the relevant CMT Rate.

"Reset Reference Bank Rate" means the percentage rate determined on the basis of (a) if "Mid-Swap Rate" is specified hereon, the Mid-Swap Quotations provided by the Reset Reference Banks to the Issuer (and any such quotations received shall be provided by the Issuer 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 hereon, the percentage rate determined by the Calculation Agent on the basis of the Reset United States Treasury Securities Quotations provided by the Reset Reference Banks to the Issuer (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at or around 11:00 a.m. (New York City time) on the U.S. Government Securities Business Day following 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 Reset Period commencing on the First Reset Note Reset Date, the relevant Mid-Swap Rate or CMT Rate (as applicable) in respect of the immediately preceding Reset

Period or (ii) in the case of the Reset Period commencing on the First Reset Note Reset Date, the percentage rate specified hereon 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 hereon, five leading swap dealers in the principal interbank market relating to the Specified Currency, (ii) in the case of the calculation of a Reset Reference Bank Rate where "CMT Rate" is specified hereon, five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York or (iii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers, in each case, as selected by the Issuer.

"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 the yield-to-maturity based on the arithmetic mean of the secondary market bid price of such Reset Reference Bank for Reset United States Treasury Securities at approximately 11:00 a.m. (New York City time) on the U.S. Government Securities Business Day following 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 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 the screen page specified hereon or such other page on Thomson Reuters as is specified hereon, 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.

"Screen Rate Determination" has the meaning given to it in Condition 4(c).

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Subsequent Reset Period" means each successive period other than the First Reset Period from (and including) a Reset Note Reset Date to (but excluding) the next succeeding Reset Note Reset Date.

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the Reset Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent)).

"Swap Rate Period" means the period or periods specified as such hereon.

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"United States Treasury Securities" means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

"**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.

(k) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agent(s) if provision is made for them hereon 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 fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount or 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 inter-bank market (or, if appropriate, money, swap or over-the-counter index options 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.

(l) Benchmark Discontinuation

(i) Independent Adviser

Subject to Condition 4(l)(v) below and notwithstanding the fallback provisions provided for in Conditions 4(c)(iii)(B) to 4(c)(iii)(F), as applicable, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the provisions of this Condition 4(l)(i)-(iv) shall apply.

The Issuer shall use its reasonable endeavours to appoint 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(l)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4(l)(iv)). In making such determination, the Issuer shall act in good faith. In the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 4(l).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate, together with the applicable Adjustment Spread, in accordance with this Condition 4(l)(i) or Condition 4(l)(ii) prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Interest Accrual Period shall be determined in accordance with Condition 4(c) or the definitions of Benchmark Gilt Rate, Mid-Swap Rate and/or Reset Reference Bank Rate (as the case may be) and Condition 4(d). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period or Interest Accrual Period only and any subsequent Interest Periods or Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(l)(i).

(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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(l)); 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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(l)).

(iii) Adjustment Spread

The applicable Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(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(l) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions, the Agency Agreement 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 (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(l)(vi), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement 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 Directors of the Issuer pursuant to Condition 4(l)(vi), 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 supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the 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 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(l)(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.

Notwithstanding any other provision of this Condition 4(l), no Successor Rate, Alternative Rate or Benchmark Replacement will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 3 Capital.

(v) SOFR Benchmark Replacement

Notwithstanding the provisions above in Conditions 4(c)(iii)(B) to 4(c)(iii)(F), if the Original Reference Rate is SOFR, "SOFR Benchmark Replacement" is specified as "Applicable" hereon and a 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(l)(v) shall apply instead of Conditions 4(l)(i) to 4(l)(iv) above.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark 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(l)(v) with respect to such Benchmark Replacement).

Where this Condition 4(l)(v) 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(l)(vi) without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement 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 and each Agent which is party to the Agency Agreement of a certificate signed by two Directors of the Issuer pursuant to Condition 4(l)(vi), the Trustee and each Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, 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 by an agreement supplemental to or amending the Agency Agreement (as applicable)) and the Trustee and each Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and any Agent shall not be obliged so to concur if in the opinion of the Trustee and/or such Agent 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 it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

If the Issuer fails to determine a Benchmark Replacement in accordance with this Condition 4(l)(v) or to appoint an Independent Adviser in accordance with Condition 4(l)(i), in each case prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest (if specified hereon) or (if no Initial Rate of Interest is specified hereon) the Rate of Interest which would have applied to the Notes if the Issue Date had been the last day of the first Interest Accrual Period. Where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the

Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(l)(v).

In connection with any such variation in accordance with this Condition 4(l)(v), 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.

In no event shall the Calculation Agent be responsible for determining any substitute for SOFR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by Issuer and will have no liability for such actions taken at the direction of the Issuer.

Any determination, decision or election that may be made by the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's sole discretion, and, will become effective without consent from any other party. None of the Trustee or the Agents shall have any liability for any determination made by or on behalf of the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement.

For the purposes of this Condition 4(l)(v):

"Benchmark" means, initially, the Original Reference Rate, provided that if the Issuer determines prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement.

"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) 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 then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (B) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (C) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) 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 (including any daily published component used in the calculation thereof) 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, 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 then-current Benchmark (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 Benchmark permanently or indefinitely ceases to provide the Benchmark (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 Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

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

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or

- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or
- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"ISDA Definitions" means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified hereon, in each case as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc.

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

"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 Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

"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.

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

Notwithstanding any other provision of this Condition 4(l), no Successor Rate, Alternative Rate or Benchmark Replacement will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 3 Capital.

- (vi) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Replacement and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes determined under this Condition 4(l) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the

Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or 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 Directors of the Issuer:

- (1) where a Benchmark Event has occurred in relation to an Original Reference Rate:
 - (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable 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(l); and
 - (B) 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; or
- (2) where a Benchmark Replacement is determined in accordance with Condition 4(l)(v) above:
 - (A) confirming (A) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement determined in accordance with Condition 4(l)(v), 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 Issuer) and (2) the applicable Benchmark Replacement Adjustment (if any), and (iii) the specific terms of the Benchmark Replacement Conforming Changes (if any); and
 - (B) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement.

The Trustee shall be entitled to rely on such certificate (without 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 or bad faith in the determination of 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) 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.

(vii) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(l) (i), (ii), (iii), (iv) and (v), the Original Reference Rate and (where relevant) the provisions of Conditions 4(c)(iii)(B) to 4(c)(iii)(F) or the definitions of Benchmark Gilt Rate, Mid-Swap Rate and/or Reset Reference Bank Rate (as the case may be) and Condition 4(d) will continue to apply unless and until (i) a Benchmark Event has occurred and the Trustee, the Agent and (in accordance with Condition 16) the Noteholders have been notified of the Successor Rate or Alternative Rate (as applicable), the applicable Adjustment Spread and any Benchmark Amendments determined pursuant to Condition 4(l)(iv), or (ii) a Benchmark Transition Event has occurred and the

Trustee has been notified of the Benchmark Replacement (including any Benchmark Replacement Adjustment, if applicable) and Benchmark Replacement Conforming Changes (if any), in each case, in accordance with Condition 4(l)(vi).

(viii) Definitions:

As used in this Condition 4(l):

"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:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (if the Issuer determines that no such spread is customarily applied);
- (C) the Issuer, following consultation with the Independent Adviser, determines 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); or
- (D) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 4(l)(ii) is customarily applied in debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"Benchmark Amendments" has the meaning given to it in Condition 4(l)(iv).

"Benchmark Event" means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) 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
- (C) 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

- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that 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
- (F) it has 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;

provided that in the case of sub-paragraphs (B) and (C) above the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate or the date of the discontinuation of the Original Reference Rate, in the case of sub-paragraph (D) above, the Benchmark Event shall occur on the date of prohibition of use of the Original Reference Rate and in the case of sub-paragraph (E) above, the Benchmark Event shall occur 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, as the case may be, and not the date of the relevant public statement.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(1)(i) or 4(1)(v), as applicable.

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate (or component part thereof) determined pursuant to this Condition 4(1).

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

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (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.

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

5 Deferral of Payments

(a) *Mandatory Deferral of Interest*

Payment of interest on the Notes by the Issuer will be mandatorily deferred on each Regulatory Deficiency Interest Deferral Date. The Issuer shall notify the Noteholders, the Paying Agents and the Trustee of any Regulatory Deficiency Interest Deferral Date in accordance with Condition 5(d)

(provided that failure to make such notification shall not oblige the Issuer to make payment of such interest, or cause the same to become due and payable, on such date) and the Issuer shall not have any obligation to make such payment on that date.

A certificate signed by two Directors of the Issuer delivered to the Trustee confirming that (a) a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made or (b) a Regulatory Deficiency Interest Deferral Event has ceased to occur and/or payment of interest on the Notes would not result in a Regulatory Deficiency Interest Deferral Event occurring, may, in the absence of manifest error, be treated and accepted by the Trustee as correct and sufficient evidence thereof and shall if so treated and accepted be binding on the Issuer, the holders of the Notes and the Coupons relating to them and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any payment of interest on a Regulatory Deficiency Interest Deferral Date in accordance with this Condition 5(a) or in accordance with Condition 3(d) will not constitute a default by the Issuer and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes.

(b) *Arrears of Interest*

Any interest in respect of the Notes not paid on an Interest Payment Date as a result of (i) the obligation on the Issuer to defer pursuant to Condition 5(a) or (ii) the operation of the Solvency Condition contained in Condition 3(d), together with any other interest in respect thereof not paid on an earlier Interest Payment Date shall, so long as the same remains unpaid, constitute "**Arrears of Interest**".

Arrears of Interest shall not themselves bear interest.

(c) *Payment of Arrears of Interest by the Issuer*

Any Arrears of Interest may (subject to Condition 3(d), the Relevant Rules and, if then required under the Relevant Rules, to satisfaction of the Regulatory Clearance Condition), be paid by the Issuer in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Trustee, the Paying Agents and the Noteholders in accordance with Condition 16, and in any event will become due and payable by the Issuer (subject, in the case of (i) and (iii) below, to Condition 3(d) and, if then required under the Relevant Rules, to satisfaction of the Regulatory Clearance Condition) in whole (and not in part) upon the earliest of the following dates:

- (i) the next Interest Payment Date which is not a Regulatory Deficiency Interest Deferral Date (as evidenced by delivery of the certificate referred to in Condition 5(a)); or
- (ii) the date on which an Issuer Winding-Up occurs; or
- (iii) the date fixed for any redemption or purchase of Notes by the Issuer pursuant to Condition 6 (subject to any deferral of such redemption date pursuant to the Solvency Condition or Condition 6(b)) or Condition 10.

If either of the events set out in Conditions 5(c)(i) or (iii) occurs the Issuer promptly shall give notice to the Trustee, the Issuing and Paying Agent and the Noteholders in accordance with Condition 16.

(d) *Notice of Deferral*

The Issuer shall notify the Trustee, the Paying Agents and the Noteholders in writing in accordance with Condition 16 not less than five Business Days prior to an Interest Payment Date:

- (i) if that Interest Payment Date is a Regulatory Deficiency Interest Deferral Date and specifying that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date, provided that if a Regulatory Deficiency Interest Deferral Event occurs or is determined to occur (or if a determination that a Regulatory Deficiency Interest Deferral Event would occur if the relevant interest payment were to be made is made) less than five Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 16 as soon as reasonably practicable following the occurrence of such event (and, in either case, such notice shall specify that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date); or
- (ii) if payment of any interest will not become due on such Interest Payment Date as a result of a failure to satisfy the Solvency Condition, provided that if the circumstances resulting in non-satisfaction of the Solvency Condition occur, or are determined to occur, less than five Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 16 as soon as reasonably practicable following the occurrence of such event (and in either case such notice shall specify that interest will not be paid as a result of non-satisfaction of the Solvency Condition).

6 Redemption, Substitution, Variation, Purchase and Options

(a) *Redemption at Maturity*

Subject to Conditions 3(d), 6(b) and 6(j), unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount), together with any interest accrued to (but excluding) the date of redemption in accordance with these Conditions and any Arrears of Interest.

(b) *Deferral of redemption date*

- (i) No Notes shall be redeemed on the Maturity Date pursuant to Condition 6(a) or redeemed prior to the Maturity Date pursuant to Condition 6(c), 6(d), 6(e), 6(f) or 6(g) or purchased pursuant to Condition 6(h) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption or purchase were made on the Maturity Date or, if Condition 6(c), 6(d), 6(e), 6(f) or 6(g) applies, any date specified for redemption in accordance with such Conditions or, if Condition 6(h) applies, the date of such purchase.
- (ii) If the Notes are not to be redeemed on the Maturity Date pursuant to Condition 6(a) or on any redemption date pursuant to Condition 6(c), 6(d), 6(e), 6(f) or 6(g) (as applicable) as a result of circumstances where:
 - (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were redeemed on such date;
 - (B) the Solvency Condition would not be satisfied on such date or immediately after the redemption; or

- (C) the Regulatory Clearance Condition is not satisfied (to the extent then required under the Relevant Rules) in relation to such redemption; and/or
- (D) such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date,

the Issuer shall notify the Trustee and the Issuing and Paying Agent in writing and notify the Noteholders in accordance with Condition 16 no later than five Business Days prior to the Maturity Date or the date specified for redemption in accordance with Condition 6(c), 6(d), 6(e), 6(f) or 6(g), as applicable, (or as soon as reasonably practicable if the relevant circumstance requiring redemption to be deferred arises, or is determined, less than five Business Days prior to the relevant redemption date).

Failure to make any such notification shall not cause the Notes to become due and payable on such date and the Issuer shall not have any obligation to redeem the Notes (or make any redemption payment in respect of the Notes) on that date.

- (iii) If redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c), 6(d), 6(e), 6(f) or 6(g) as a result of Condition 6(b)(i) above or Condition 6(j) below, subject (in the case of (A) and (B) only) to Condition 3(d) and to the Regulatory Clearance Condition (if then applicable in accordance with the Relevant Rules) and to such redemption being otherwise permitted under the Relevant Rules, such Notes shall be redeemed at their Final Redemption Amount (which, unless otherwise provided hereon, shall be their principal amount) or, as applicable, the relevant price specified in Condition 6(c), (d), (e), (f) or (g) together with accrued and unpaid interest to (but excluding) the date fixed for redemption and any Arrears of Interest, upon the earliest of:
 - (A) in the case of a failure to redeem due to the operation of Condition 6(b)(i) only, the date falling 10 Business Days after the date the Regulatory Deficiency Redemption Deferral Event has ceased (unless, on such tenth Business Day, a further Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or redemption of the Notes on such date would result in a Regulatory Deficiency Redemption Deferral Event occurring, in which case the provisions of this Condition 6(b) shall apply mutatis mutandis to determine the due date for redemption of the Notes); or
 - (B) the date falling 10 Business Days after the relevant regulatory approval for the repayment or redemption of the Notes (where such approval is required under the Relevant Rules) is received; or
 - (C) the date on which an Issuer Winding-Up occurs.
- (iv) If on any date Condition 6(b)(i) does not apply, but redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c), (d), (e), (f) or (g) as a result of the non-satisfaction of the Solvency Condition, subject to Condition 6(j), such Notes shall be redeemed at their Final Redemption Amount (which, unless otherwise provided hereon, shall be their principal amount) or, as applicable, the relevant price specified in Condition 6(c), (d), (e), (f) or (g) together with accrued but unpaid interest and any Arrears of Interest on the tenth Business Day immediately following the day that (A) the Issuer is solvent for the purposes of Condition 3(d) and (B) that redemption of the Notes would not result in the Issuer ceasing to be solvent for the purposes of Condition 3(d), provided that if on such Business Day specified for redemption a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if the

Notes were to be redeemed then the Notes shall not be redeemed on such date and Conditions 3(d) and 6(b)(iii) shall apply, mutatis mutandis, to determine the date of the redemption of the Notes.

- (v) In addition to any certificate given pursuant to Condition 3(d) in relation to the satisfaction or otherwise of the Solvency Condition, a certificate signed by two Directors of the Issuer delivered to the Trustee confirming that (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if redemption of the Notes were to be made or (B) a Regulatory Deficiency Redemption Deferral Event has ceased to occur and/or redemption of the Notes would not result in a Regulatory Deficiency Redemption Deferral Event occurring or (C) that any circumstance described in Condition 6(b)(ii)(B) or (C) applies, may (in the absence of manifest error) be treated and accepted by the Trustee as correct and sufficient evidence thereof and shall if so treated and accepted be binding on the Noteholders, the Couponholders and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.
- (vi) In circumstances where redemption of the Notes has been deferred, the Issuer shall, as soon as reasonably practicable following its determination of the new scheduled redemption date in accordance with this Condition 6(b), give notice to the Trustee and to the Noteholders in accordance with Condition 16 of the new scheduled redemption date (but this shall be without prejudice to further deferral of redemption on such date in the circumstances required by these Conditions).
- (vii) Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of redemption of the Notes in accordance with Condition 3(d) or this Condition 6(b) will not constitute a default by the Issuer and will not give Noteholders or the Trustee any right to accelerate the Notes or take any enforcement action under the Notes or the Trust Deed.

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

Unless the Issuer shall have given notice to redeem the Notes under Condition 6(d), 6(e), 6(f) or 6(g) on or prior to the expiration of the notice referred to below, and if "Call Option" is specified hereon, the Issuer may at its option, subject to Conditions 3(d), 6(b) and 6(j) and having given not less than 15 nor more than 60 days' notice (or such other notice period as may be specified hereon) to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 16, the Noteholders (which notice shall specify the date set for redemption and shall, subject as aforesaid, be irrevocable) redeem all (but not some only) of the Notes on any Optional Redemption Date specified hereon.

Any such redemption of Notes shall be at their Optional Redemption Amount (as may be provided for hereon) together with any accrued and unpaid interest to (but excluding) the date fixed for redemption in accordance with these Conditions and any Arrears of Interest.

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 6(c).

(d) *Redemption, Substitution or Variation at the Option of the Issuer for Taxation Reasons*

Subject to Conditions 3(d), 6(b) and 6(j), if the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (i) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a

Relevant Jurisdiction, which change or amendment becomes effective on or after the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series (a) on the next Interest Payment Date, the Issuer will or would be required to pay Additional Amounts; or (b) the Issuer would not be able to claim a deduction from taxable profits for corporation tax purposes for or in respect of interest payable on the Notes (or for a material part of such interest) in the United Kingdom; or (c) the Issuer suffers or would suffer any other material adverse tax consequence in connection with the Notes in a Relevant Jurisdiction; (each of the events referred to in this Condition 6(d)(i) being referred to in these Conditions as a "**Tax Event**"); and

- (ii) the effect of the foregoing cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 15 nor more than 60 days' notice to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 16, the Noteholders (which notice shall specify the date set for redemption and shall, subject as aforesaid, be irrevocable) either:

- (A) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Special Redemption Price (which, unless otherwise specified hereon, shall be their principal amount) together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (x) with respect to Condition 6(d)(i)(a) above, the Issuer would be obliged to pay such additional amounts; (y) with respect to Condition 6(d)(i)(b) above, the Issuer would not be able to claim a deduction from taxable profits for corporation tax purposes for or in respect of interest payable on the Notes (or a material part of it would not be so deductible) in the United Kingdom, as referred to in Condition 6(d)(i)(b) above; or (z) with respect to Condition 6(d)(i)(c) above, the relevant adverse tax consequence would arise or be suffered, in each case were a payment in respect of the Notes then due; or
- (B) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities, and the Trustee shall (subject to the receipt by it of the certificates of the Directors referred to in Condition 6(j)(i) below and in the definition of "Qualifying Securities") agree to such substitution or variation.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(e) ***Redemption, Substitution or Variation at the Option of the Issuer due to Capital Disqualification Event***

Subject to Conditions 3(d), 6(b) and 6(j), if a Capital Disqualification Event has occurred and is continuing, then the Issuer may at its option, having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 16, the Trustee, the Issuing and Paying Agent and the Registrar, which notice shall specify the date set for redemption and shall (subject as aforesaid) be irrevocable, either:

- (i) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Special Redemption Price (which, unless otherwise specified hereon, shall be their principal amount) together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) substitute at any time all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain Qualifying Securities and the Trustee shall (subject to the receipt by it of the certificates of the Directors referred to in Condition 6(j)(i) below and in the definition of "Qualifying Securities") agree to such substitution or variation,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Capital Disqualification Event.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(f) *Redemption, Substitution or Variation at the Option of the Issuer for Rating Reasons*

Subject to Conditions 3(d), 6(b) and 6(j), if "Ratings Methodology Call" is specified as being applicable hereon and a Ratings Methodology Event has occurred and is continuing, or the Issuer satisfies the Trustee that, as a result of any change in, or amendment to, or any change in the application of, any applicable methodology of the Rating Agency, a Ratings Methodology Event will occur within a period of six months, then the Issuer may at its option, having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 16, the Trustee, the Issuing and Paying Agent and the Registrar, which notice shall specify the date set for redemption and shall (subject as aforesaid) be irrevocable, either:

- (i) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Special Redemption Price (which, unless otherwise specified hereon, shall be their principal amount), together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) substitute at any time all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain Rating Agency Compliant Securities, and the Trustee shall (subject to the receipt by it of the certificates of the Directors referred to in Condition 6(j)(i) below and in the definition of "Rating Agency Compliant Securities") agree to such substitution or variation,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Ratings Methodology Event.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(g) *Redemption at the Option of the Issuer (Clean-up Call Option)*

This Condition 6(g) applies if "Clean-up Call Option" is specified hereon.

Subject to Conditions 3(d), 6(b) and 6(j), if 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 will be deemed to have been originally issued) has been redeemed and/or purchased and cancelled, then the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 15 nor more than 60 days' notice to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 16, the Noteholders (which

notice shall, subject as aforesaid, be irrevocable) redeem all (but not some only) of the Notes, at any time, at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date of redemption.

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

If more than one notice of redemption is given pursuant to this Condition 6, the first of such notices to be given shall prevail.

(h) Purchases

Subject to Conditions 3(d), 6(b) and 6(j), the Issuer and any of the Issuer's Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in any manner and at any price.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any Subsidiary of the Issuer may be held, reissued, resold or 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 redeemed or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes and Coupons shall be discharged.

(j) Pre-conditions to Redemption, Substitution, Variation or Purchase

- (i) Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 6(d), 6(e), 6(f) or 6(g), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that:
- (A) a Tax Event will have occurred and be continuing on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (B) a Capital Disqualification Event has occurred and is continuing as at the date of the certificate; or
 - (C) a Ratings Methodology Event has occurred and is continuing as at the date of the certificate; or
 - (D) 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 will be deemed to have been originally issued) have been redeemed and/or purchased and cancelled as at the date of the certificate.

In the case of (A) above, the Issuer shall also deliver to the Trustee an opinion from a nationally recognised law firm or other tax adviser in a Relevant Jurisdiction experienced in such matters to the effect that the relevant Tax Event will have occurred and be continuing on the next Interest Payment Date.

The Trustee shall be entitled to accept such certificate and (in the case of (A) above) opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Issuer, the Trustee, the Noteholders, the

Couponholders and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate and (in the case of (A) above) opinion without liability to any person and without any obligation to verify or investigate the accuracy thereof.

- (ii) The Issuer may not redeem, purchase, substitute or vary any Notes pursuant to this Condition 6 unless the following conditions are satisfied:
 - (A) the Issuer and the Insurance Group being in continued compliance with the Regulatory Capital Requirements (if any) applicable to them;
 - (B) the Issuer having complied with the Regulatory Clearance Condition;
 - (C) (to the extent then required under the Relevant Rules or by the PRA) in the case of any redemption or purchase of the Notes prior to the Capital Replacement End Date (being the fifth anniversary of the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series or, in either case, such later date otherwise specified hereon), either
 1. in the case of any redemption pursuant to Condition 6(d) or 6(e), the PRA being satisfied that the Solvency Capital Requirement will be exceeded by an appropriate margin immediately after such redemption or purchase (taking into account the solvency position of the Issuer and the Insurance Group, including by reference to the Issuer's and the Insurance Group's medium-term capital management plans); or
 2. in the case of any redemption or purchase, such redemption or purchase being funded (to the extent then required by the PRA pursuant to the Relevant Rules) out of the proceeds of a new issuance of or the Notes being exchanged into, own funds of the same or higher quality than the Notes (being capital with the necessary features of Tier 3 Capital) or a better quality form of regulatory capital and being otherwise permitted under the Relevant Rules;
 - (D) (to the extent then required under the Relevant Rules or by the PRA) in the case of any redemption or purchase of the Notes prior to the Capital Replacement End Date (being the fifth anniversary of the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series or, in either case, such later date otherwise specified hereon)
 1. in the case of any such redemption following the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the PRA that the applicable change in tax treatment is material; or
 2. in the case of any such redemption following the occurrence of a Capital Disqualification Event, the PRA considering that the relevant change in the regulatory classification of the Notes is sufficiently certain; and
 3. in either case, the Issuer having demonstrated to the satisfaction of the PRA that such change was not reasonably foreseeable as at the Issue Date (or, if any further tranche(s) of the Notes has or have been issued

pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last tranche of the Notes); and

- (E) compliance with any other applicable requirements of the Relevant Rules regarding redemption, purchase, substitution or variation (as the case may be) of the Notes.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Relevant Rules permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6(j), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

The Trustee shall be entitled to accept a certificate from any two Directors of the Issuer to the Trustee confirming whether or not any such compliance is required by the Relevant Rules and, if so, confirming compliance with the relevant requirements shall if so accepted by the Trustee be conclusive and binding on the Issuer, the Noteholders, the Couponholders and all other interested parties. The Trustee shall be entitled to accept such certificate as sufficient evidence of such compliance and shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(k) *Trustee role on redemption, variation or substitution; Trustee not obliged to monitor*

- (i) Subject to Condition 6(j), the Trustee shall (at the expense of the Issuer) use its reasonable endeavours to co-operate with the Issuer (including, but not limited to, entering into such documents or deeds as may be necessary) to give effect to the substitution or variation of the Notes for or into Qualifying Securities or Rating Agency Compliant Securities (as applicable) pursuant to this Condition 6, provided that the Trustee shall not be obliged to co-operate in any such substitution or variation if the securities resulting from such substitution or variation, or the co-operation in such substitution or variation, imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to liabilities or reduces its protections, in each case as compared with the corresponding obligations, liabilities or, as appropriate, protections under the Notes. If the Trustee does not so co-operate as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in this Condition 6.
- (ii) The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 6 and will not be responsible to Noteholders or the Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has express notice pursuant to these Conditions or the Trust Deed of the occurrence of any event or circumstance to which this Condition 6 relates, it shall be entitled to assume that no such event or circumstance exists or has arisen.

(l) *Compliance with stock exchange rules*

In connection with any substitution or variation of the Notes in accordance with this Condition 6, the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

7 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 (in the case of all payments of principal

and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the U.S. by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(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 Condition 7(b)(ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register (i) where all or any of the Registered Notes are represented by a Global Certificate, at the close of the business day (being for this purpose a day on which Euroclear and/or Clearstream, Luxembourg, as applicable, are open for business) before the due date for payment thereof, and (ii) where none of the Registered Notes is represented by a Global Certificate 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 and to the holder (or to the first named of joint holders) of such Note by transfer to an account in the relevant currency maintained by the payee with a bank.

(c) Payments in the U.S.

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 U.S. 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 U.S. law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Fiscal Laws

Without prejudice to the provisions of Condition 8, payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by or pursuant to such laws and regulations.

(e) Appointment of Agents

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer (for all purposes other than ISDA Determination for Floating Rate Notes, where the Calculation Agent will be specified in the Final Terms or Pricing Supplement, as applicable) and their respective specified offices are listed above. Subject as provided in the Agency Agreement, the Issuing and Paying Agent, the 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 prior written 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, Calculation 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, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) a Paying Agent.

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 Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified hereon.

(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 unexpired coupons appertaining thereto exceeds the nominal amount of such Note) such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Optional Redemption Amount or Special Redemption Price as the case may be and as may be provided for hereon, 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 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Fixed to Floating Rate Note, a Fixed Rate Reset Note or a Floating Rate Note or (where the total value of the unexpired coupons exceeds the nominal amount of such Note) a Fixed Rate Note, unexpired 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 unexpired 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 relevant unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired 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 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 9).

(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 paragraph, "**Business Day**" means a day (other than a Saturday or a Sunday) on which 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" hereon 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 T2 Business Day.

8 Taxation

All payments of principal, interest and Arrears of Interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts in relation to interest and Arrears of Interest (but not principal) as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them in respect of payments of interest and Arrears of Interest had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with a Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) **Lawful avoidance of withholding:** presented for payment by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day after the Relevant Date; or
- (d) **Any combination:** where such withholding or deduction arises out of any combination of paragraphs (a) to (c) above.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or

refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amount, Optional Redemption Amount or Special Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 6 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 5 or any amendment or supplement to it and any additional amounts that may be payable under this Condition 8 or under any undertakings given in addition to, or in substitution for, it pursuant to the Trust Deed ("**Additional Amounts**").

Notwithstanding any other provision of these Conditions, 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.

9 Prescription

Claims against the Issuer for payment in respect of principal, interest and Arrears of Interest payable on the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest or Arrears of Interest) from the appropriate Relevant Date in respect of them.

10 Enforcement

(a) *Rights to institute and/or prove in a winding-up*

Unless an Issuer Winding-Up has occurred, no amount shall be due from the Issuer in those circumstances where payment of such amount could not be made in compliance with the Solvency Condition or is deferred in accordance with Condition 5(a), 6(b) or 6(j).

If default is made by the Issuer for a period of 14 days or more in the payment of any amount due in respect of the Notes or any of them, subject to Conditions 3(d), 5(a), 6(b) or 6(j), the Trustee at its discretion may, and if so requested by Noteholders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for the winding-up of the Issuer.

In the event of an Issuer Winding-Up (whether or not instituted by the Trustee pursuant to the foregoing), the Trustee in its discretion may, and if so requested by Noteholders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction), prove and/or claim in such Issuer Winding-Up, such claim being for the Final Redemption Amount, together with any Arrears of Interest and any other unpaid interest, with such claim subordinated as contemplated in Condition 3(b) but may take no further or other action to

enforce, prove or claim for any payment by the Issuer in respect of the Notes, the Coupons or the Trust Deed.

(b) *Enforcement*

Without prejudice to Condition 10(a), the Trustee may at its discretion and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons (other than any payment obligation of the Issuer under or arising from the Notes, the Coupons or the Trust Deed, including any payment of damages awarded for breach of any obligations thereunder) but in no event shall the Issuer, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. Nothing in this Condition 10(b) shall, however, prevent the Trustee, the Noteholders or the Couponholders from pursuing the remedies to which they are entitled pursuant to Condition 10(a).

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 10(a) or 10(b) above against the Issuer to enforce the terms of the Trust Deed, the Notes or the Coupons or any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one fifth in principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(d) *Right of Noteholders and Couponholders*

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholders and the Couponholders shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 10.

(e) *Extent of Noteholders and Couponholders' remedies*

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Trustee, the Noteholders or the Couponholders, whether for the recovery of amounts owing in respect of the Notes, the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or the Coupons or under the Trust Deed.

Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders (including by way of conference call or videoconference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Trust Deed) of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Trustee or Noteholders holding not less than 10 per cent. in principal amount of the Notes for the

time being outstanding. The quorum at any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Noteholders whatever the principal amount of the Notes held or represented, except that, at any meeting the business of which falls within the proviso to paragraph 2 of Schedule 3 to the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. 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.

The Trust Deed also provides that a written resolution executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding or consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of holders of not less than 75 per cent. in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present shall take effect as if it were an Extraordinary Resolution. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The agreement or approval of the Noteholders shall not be required in the case of (i) the implementation of any Benchmark Amendments described in Condition 4(l)(iv), (ii) the implementation of any Benchmark Replacement Conforming Changes described in Condition 4(l)(v), (iii) any variation of these Conditions and/or the Trust Deed required to be made in connection with the substitution or variation of the Notes pursuant to Condition 6(d), 6(e) or 6(f) or (iv) any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or as reasonably required by the Issuer pursuant to Condition 12(a).

(b) *Modification of the Trust Deed*

In addition to the requirements of Conditions 6(d), 6(e), 6(f) and 12, the Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed: (i) which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error. For the avoidance of doubt, such power shall not extend to any such modification as mentioned in the proviso to paragraph 2 of Schedule 3 to the Trust Deed unless required for the substitution or variation of the Notes pursuant to Condition 6(d), 6(e), 6(f) or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or as reasonably required by the Issuer pursuant to Condition 12(a).

The agreement or approval of the Noteholders shall not be required in the case of any Benchmark Amendments or Benchmark Replacement Conforming Changes required by the Issuer pursuant to Condition 4(l).

(c) *Trustee to have regard to interests of Noteholders as a class*

Subject as provided below, in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution of obligor), the Trustee shall have regard to the general interests of the Noteholders and

Couponholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed. In connection with any substitution pursuant to Condition 12(a)(ii), the Trustee shall have regard only to the matters expressly specified in Condition 12(a)(ii).

(d) *Notification to the Noteholders*

Any modification, abrogation, waiver, authorisation, determination or substitution pursuant to this Condition 11 shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16.

(e) *Notice to the PRA*

No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have first satisfied the Regulatory Clearance Condition.

12 Substitution

(a) *Substitution*

(i) *Discretion to agree to substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to (a) such substitution not being, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, (b) certain additional conditions set out in the Trust Deed being satisfied (including no negative rating event with respect to the Notes) and (c) such amendment of these Conditions, the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders:

- (A) to the substitution of a successor in business of the Issuer in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes; or
- (B) to the substitution of the Insurance Group Parent Entity in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes; or
- (C) (subject to the Notes being unconditionally and irrevocably guaranteed on a subordinated basis by the Issuer), to the substitution of a Subsidiary or parent company of the Issuer or its successor in business in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes.

(ii) *Requirement to agree to an Insurance Group Parent Entity Automatic Substitution*

The Trust Deed further provides that, if requested by the Issuer in respect of any Notes where Insurance Group Parent Entity Automatic Substitution is specified hereon as applicable and if the Issuer ceases, has ceased or, on the date of the substitution, will cease to be the Insurance Group Parent Entity for any reason (including, without limitation, as a result of, or in connection with, any transaction instigated by the Issuer or any of its shareholders or Subsidiaries or to which the Issuer or any of its shareholders or Subsidiaries is a party), the Trustee shall promptly agree, without the consent of the Noteholders or Couponholders, to the substitution of the Insurance Group Parent Entity in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes and to the making of any consequential amendments to the Trust Deed and the Notes which the Issuer may reasonably require in connection therewith, without the requirement to satisfy any conditions other than the conditions which are expressly specified in the Trust Deed, which include:

- (A) the Notes being rated (at the request of the Issuer) by at least one of Moody's Investors Service Ltd. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings Ltd. or by any of their respective successors or affiliates immediately prior to the substitution and the Issuer certifying to the Trustee that:
 - (i) the Notes will, immediately following the substitution, continue to be rated (at the request of the Issuer) by at least one of such rating agencies; and
 - (ii) no such rating agency has announced (or confirmed in writing to the Issuer) that it has downgraded (or will downgrade), or that it has placed (or will place) on review with negative implications, the rating assigned (at the request of the Issuer) to the Notes where the substitution (or potential substitution pursuant to this Condition 12) has been cited in such announcement or confirmation in writing as a reason for such downgrade or placing on review;
- (B) the Issuer having complied with the Regulatory Clearance Condition, the Notes being eligible to count as Tier 3 Capital of the Insurance Group immediately following the substitution, the principal amount of the Notes which is available to count as Tier 3 Capital of the Insurance Group immediately following the substitution being no less than the principal amount of the Notes which is available to count as Tier 3 Capital of the Insurance Group immediately prior to the substitution, and the Issuer not being in default in respect of any of its payment obligations under these Conditions;
- (C) the Notes being (or continuing to be): (i) listed on a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act 2007 or (ii) admitted to trading on a "multilateral trading facility" operated by an "EEA regulated recognised stock exchange" (within the meaning of section 987 of the Income Tax Act 2007), immediately following the substitution; and
- (D) the substitution not causing a Capital Disqualification Event, a Ratings Methodology Event or a Tax Event to occur in respect of the Notes immediately following the substitution.

The Trustee shall be required to accept a certificate from any two Directors of the Issuer to the Trustee confirming that the conditions to such a substitution are satisfied and the Trustee shall be entitled to rely absolutely on such a certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

For the avoidance of doubt, the substitution provisions described in this Condition 12(a)(ii) are separate from, and in addition to, the substitution provisions described in Condition 12(a)(i) above. Accordingly, the Issuer may, at its sole and absolute discretion, elect to request the substitution of the Insurance Group Parent Entity pursuant to the provisions described in this Condition 12(a)(ii) instead of pursuant to the provisions described in Condition 12(a)(i), or vice versa.

Any substitute pursuant to this Condition 12 is referred to in these Conditions as a "Substituted Obligor". On completion of any substitution pursuant to this Condition 12, all references in these Conditions to "the Issuer" shall be construed as references to the Substituted Obligor.

Any substitution pursuant to this Condition 12 shall be subject to the Issuer having complied with the Regulatory Clearance Condition and any substitution pursuant to this Condition 12 which occurs prior to the fifth anniversary of the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series, shall also be subject to the Issuer having complied with Condition 6(j)(ii)(C)(2).

(b) *Change of law*

In the case of any substitution pursuant to this Condition 12, the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed, provided that such change or the substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(c) *Notice to Noteholders*

The Issuer will give notice of any substitution pursuant to this Condition 12 to Noteholders in accordance with Condition 16 as soon as reasonably practicable following such substitution.

13 Indemnification of the Trustee and its Contracting with the Issuer

(a) *Indemnification and protection of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

(b) *Trustee contracting with the Issuer*

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and/or any Substituted Obligor and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries and/or any Substituted Obligor, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such

transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

(c) **Reports and certificates**

The Trust Deed provides that the Trustee may rely and act upon the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant (including the auditors of the Issuer), surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee may also rely and act upon certificates and/or information addressed to it from, or delivered by, the Issuer, any Substituted Obligor or any one or more Directors of the Issuer or any Substituted Obligor or any of their respective auditors, liquidators, administrators or other insolvency officials. The Trustee will not be responsible to anyone for any liability occasioned by so relying and acting. Any such advice, opinion, information or certificate may be sent or obtained by letter, email, electronic communication or fax and the Trustee shall not be liable for acting in good faith on any advice, opinion, information or certificate purporting to be conveyed by such means even if it contains an error or is not authentic.

14 Replacement of Notes, Certificates, Coupons and Talons

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 Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs 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 Notes, Certificates, Coupons 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.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any Series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Issue Date shall be to the Issue Date of the first Tranche of Notes of any Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any Series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other Series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to be given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed. 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 Europe. 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 publication is made, as provided above. The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

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 16.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes).

17 Contracts (Rights of Third Parties) Act 1999

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

18 Definitions

As used herein:

"**Additional Amount**" has the meaning given to it in Condition 8;

"**Additional Financial Centres**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Agency Agreement**" has the meaning given in the preamble to these Conditions;

"**Arrears of Interest**" has the meaning given to it in Condition 5(b);

"**Assets**" means the unconsolidated gross assets of the Issuer as shown in the latest published audited balance sheet of the Issuer but adjusted for contingencies and subsequent events, all in such manner as the Directors may determine;

"**Bearer Notes**" has the meaning given to it in Condition 1;

"**Calculation Agent(s)**" has the meaning given in the preamble to the Conditions or, in the case of Condition 4(c)(iii)(A), as defined therein;

"**Call Option**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

a "**Capital Disqualification Event**" shall be deemed to have occurred if, at any time, as a result of any change to the Relevant Rules (or change to the interpretation of the Relevant Rules by any court or authority

entitled to do so) the whole or any part of the principal amount of the Notes is no longer capable of counting as Tier 3 Capital for the purposes of (i) the Issuer on a solo, group or consolidated basis or (ii) the Insurance Group on a group or consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital (other than a limitation derived from any transitional or grandfathering provisions under the Relevant Rules);

"**Capital Replacement End Date**" has the meaning given to it in the Final Terms or Pricing Supplement;

"**Certificates**" has the meaning given in Condition 1;

"**Couponholders**" has the meaning given in the preamble to these Conditions;

"**Coupons**" has the meaning given in the preamble to these Conditions;

"**Directors**" means the directors of the Issuer or a Substituted Obligor (as the case may be) from time to time;

"**European Economic Area**" or "**EEA**" means the countries comprising the European Union together with Norway, Liechtenstein and Iceland;

"**EUWA**" means the European Union (Withdrawal) Act 2018;

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

"**Final Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

In setting the Final Redemption Amount the Issuer shall have consideration to the limitations set out in any Relevant Rules.

"**Group Insurance Undertaking**" means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Insurance Group pursuant to the Relevant Rules;

"**Holder**" has the meaning given to it in Condition 1;

"**Insolvent Insurer Winding-up**" means:

- (a) the winding-up of any Group Insurance Undertaking; or
- (b) the appointment of an administrator of any Group Insurance Undertaking,

in each case where the Issuer has determined, acting reasonably, that all Policyholder Claims of the policyholders or beneficiaries under contracts of insurance of that Group Insurance Undertaking may or will not be met in full;

"**Insurance Group**" means the Insurance Group Parent Entity and its Subsidiaries;

"**Insurance Group Parent Entity**" means the Issuer or any Subsidiary or parent company of the Issuer which from time to time constitutes the highest entity in the relevant insurance group or other financial group for which supervision of group capital resources or solvency is required (whether or not such requirement is waived in accordance with the Relevant Rules) pursuant to the Regulatory Capital Requirements in force from time to time;

As at the date of this Prospectus, the Insurance Group Parent Entity is the Issuer.

"**insurance undertaking**" has the meaning given to it in the Solvency II Directive;

"**Interest Basis**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Interest Commencement Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Issue Date**" has the meaning given in the preamble of these Conditions;

"**Issuer**" has the meaning given in the preamble to these Conditions;

"**Issuer Winding-Up**" has the meaning given in Condition 3(b);

"**Issuing and Paying Agent**" has the meaning given in the preamble to these Conditions;

"**Junior Obligations of the Issuer**" has the meaning given in Condition 3(b);

"**Level 2 Regulations**" means the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of the European Union on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019;

"**Liabilities**" means the unconsolidated gross liabilities of the Issuer as shown in the latest published audited balance sheet of the Issuer but adjusted for contingent liabilities and for subsequent events, all in such manner as the Directors of the Issuer may determine;

"**London Stock Exchange**" means the London Stock Exchange plc;

"**Maturity Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement (such date being specified as being no earlier than the fifth anniversary of the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, no earlier than the fifth anniversary of the Issue Date of the latest such Tranche to be issued));

"**Maximum Rate of Interest**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Minimum Capital Requirement**" means the Minimum Capital Requirement, the minimum consolidated group Solvency Capital Requirement or other minimum capital requirements (as applicable) referred to in Solvency II or the Relevant Rules;

"**Minimum Rate of Interest**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Noteholder**" has the meaning given to it in Condition 1;

"**Optional Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement (such Optional Redemption Amount being an amount per Note at least equal to the principal amount of the relevant Note);

"**Optional Redemption Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement (such Optional Redemption Date being at least five years after the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, at least five years after the Issue Date of the latest such Tranche to be issued));

"**Parity Creditors of the Issuer**" means the creditors of the Issuer whose claims rank, or are expressed to rank, *pari passu* with the claims of the Noteholders including holders of Parity Obligations of the Issuer;

"**Parity Obligations of the Issuer**" has the meaning given in Condition 3(b);

"**Paying Agents**" has the meaning given in the preamble to these Conditions;

"**Policyholder Claims**" means claims of policyholders or beneficiaries under contracts of insurance in a winding-up, liquidation or administration of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up or administration of

insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have;

"**PRA**" means the Bank of England acting as the UK Prudential Regulation Authority through its Prudential Regulation Committee or such successor or other authority having primary supervisory authority with respect to prudential matters in relation to the Issuer, the Insurance Group and/or the Insurance Group Parent Entity;

"**Proceedings**" has the meaning given to it in Condition 19(b);

"**Qualifying Securities**" means securities issued by the Issuer or another entity and guaranteed by the Issuer that:

- (a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing or independent financial adviser of international standing, and provided that a certification to such effect (including as to the consultation with the independent investment bank or independent financial adviser and in respect of the matters specified in (b) below) signed by two Directors of the Issuer shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof) prior to the issue of the relevant securities);
- (b) (subject to (a) above) shall (1) contain terms which are intended to match the then current requirements of the Relevant Rules in relation to Tier 3 Capital insofar as practicable; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same Interest Payment Dates; (3) rank or, if issued by another entity, benefit from a guarantee of the Issuer which ranks, at least *pari passu* with the ranking of the Notes; (4) preserve the obligations of (including obligations arising from the exercise of any rights of) the Issuer as to redemption of the Notes, including as to the timing of, and amounts payable upon redemption of the Notes and provided that such Qualifying Securities may not be redeemed by the Issuer prior to the Maturity Date except in circumstances analogous to those referred to in Condition 6(c), 6(d), 6(e), 6(f) and/or 6(g) of the Notes; (5) preserve any existing rights under these Conditions to any accrued interest, any Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders but not been paid; and (6) do not include any principal loss absorption provisions, including any provisions which require the write off or write down in whole or in part of the principal amount of such securities or the conversion of such securities in whole or in part into equity; and
- (c) are listed or admitted to trading on the London Stock Exchange's regulated market (for the purposes of Directive 2014/65/EU as it forms part of domestic law by virtue of the EUWA) or such other regularly operating, internationally recognised stock exchange in the UK or the EEA as selected by the Issuer and approved by the Trustee;

"**Rating Agency**" means Fitch Ratings Limited or any affiliate of or successor thereto;

"**Rating Agency Compliant Securities**" means securities which are (i) Qualifying Securities and (ii) assigned substantially the same "equity credit" (or such other nomenclature as may be used by the Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) or, at the absolute discretion of the Issuer, a lower "equity credit" (provided such "equity credit" is still higher than the "equity credit" assigned to the Notes immediately after the occurrence of the Ratings Methodology Event) as that which was assigned by the Rating Agency or its predecessor to the Notes on or around the Issue Date or (if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes and the "equity credit" assigned by the Rating Agency on the issue date of such Tranche is lower than

the "equity credit" assigned to the Notes on or around the Issue Date) the issue date of the last Tranche of the relevant Series and provided that a certification to such effect signed by two Directors of the Issuer shall have been delivered to the Trustee prior to the issue of the relevant securities (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof);

"Ratings Methodology Call" has the meaning given to it in Condition 6(f);

a **"Ratings Methodology Event"** will be deemed to occur if at any time there occurs a change in (or clarification to) the methodology of the Rating Agency (or in the interpretation of such methodology) as a result of which the "equity credit" (or such other nomenclature as may be used by the Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) assigned by the Rating Agency to the Notes is, as notified by the Rating Agency to the Issuer or as published by the Rating Agency, reduced when compared to the "equity credit" assigned by the Rating Agency or its predecessor to the Notes on or around the Issue Date or (if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes and the "equity credit" assigned by the Rating Agency on the issue date of such Tranche is lower than the "equity credit" assigned to the Notes on or around the Issue Date) the issue date of the last Tranche of the relevant Series;

"Record Date" has the meaning given to it in Condition 7(b);

"Register" has the meaning given in Condition 1;

"Registered Notes" has the meaning given to it in Condition 1;

"Registrar" has the meaning given in the preamble to these Conditions;

"Regulatory Capital Requirements" means any applicable capital resources requirement or applicable overall financial adequacy rule required by the PRA pursuant to the Relevant Rules, as such requirements or rules are in force from time to time;

"Regulatory Clearance Condition" means, in respect of any proposed act on the part of the Issuer, the PRA having approved, granted permission for, consented to, or provided a non-objection to and having not withdrawn its approval, permission or consent to, such act (in any case only if and to the extent such approval, permission, consent or non-objection is required by the PRA, the Relevant Rules or any other applicable rules of the PRA at the relevant time);

"Regulatory Deficiency Interest Deferral Date" means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date;

"Regulatory Deficiency Interest Deferral Event" means:

- (a) any event (including, without limitation, any event which causes any Minimum Capital Requirement applicable to the Issuer, the Insurance Group Parent Entity or the Insurance Group to be breached and such breach is an event) which under the Relevant Rules means that the Issuer must defer payment of interest (or, if applicable, Arrears of Interest) in respect of the Notes (in order that the Notes are, and/or on the basis that the Notes are intended to be, both eligible and available as Tier 3 Capital of the Issuer and the Insurance Group); or
- (b) the PRA having notified the Issuer in writing that, in circumstances in which it is permitted to do so pursuant to and in accordance with the Relevant Rules, it has determined that the Issuer must defer a

payment of interest (or, if applicable, Arrears of Interest) under the Notes and the PRA not having revoked such notification;

"Regulatory Deficiency Redemption Deferral Event" means:

- (a) any event (including, without limitation, where an Insolvent Insurer Winding-up has occurred and is continuing or any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Issuer, the Insurance Group Parent Entity or the Insurance Group to be breached and such Insolvent Insurer Winding-up or, as the case may be, such breach is an event) which under the Relevant Rules means that the Issuer must defer or suspend redemption of the Notes (in order that the Notes are, and/or on the basis that the Notes are intended to be both eligible and available as Tier 3 Capital of the Issuer and the Insurance Group); or
- (b) the PRA having notified the Issuer in writing that, in circumstances in which it is permitted to do so pursuant to and in accordance with the Relevant Rules, it has determined that the Issuer must defer making a payment of principal under the Notes and the PRA not having revoked such notification;

"Relevant Date" has the meaning given in Condition 8;

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

"Relevant Rules" means, at any time, any legislation, rules, regulations or published regulatory expectations (whether having the force of law or otherwise) then applying to the Issuer, the Insurance Group Parent Entity or the Insurance Group relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and without limitation to the foregoing, includes (to the extent then applying as aforesaid) Solvency II, any legislation, rules, regulations or published regulatory expectations implementing Solvency II and any legislation, rules or regulations of the PRA relating to such matters; and references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Relevant Rules shall be construed in the context of the Relevant Rules as they apply to Tier 3 Capital;

"Senior Creditors of the Issuer" means policyholders of the Issuer (if any), beneficiaries under contracts of insurance of the Issuer (if any) and any other creditors of the Issuer who are unsubordinated creditors of the Issuer;

"Series" has the meaning given in the preamble to these Conditions;

"Solvency II" means the United Kingdom transposition of the Solvency II Directive and the Level 2 Regulations, as they each form part of retained EU law (as defined in the EUWA), as amended from time to time and any additional measures adopted to give effect thereto (whether implemented by way of regulation, guidelines or otherwise);

"Solvency II Directive" means Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

"Solvency Capital Requirement" means the solvency capital requirement or the group solvency capital requirement referred to in Solvency II (howsoever described or defined in Solvency II) or any other solvency capital requirement, group solvency capital requirement or any other equivalent capital requirement (other than the Minimum Capital Requirement) howsoever described in the Relevant Rules;

"**Solvency Condition**" has the meaning given in Condition 3(d);

"**Special Redemption Price**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Specified Denomination**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Subsidiary**" has the meaning given to it under Section 1159 of the Companies Act 2006 (as amended from time to time);

"**Substituted Obligor**" has the meaning given to it in Condition 12(a);

"**successor in business**" has the meaning given in the Trust Deed;

"**Tax Event**" has the meaning given to it in Condition 6(d)(i);

"**Tier 1 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules);

"**Tier 2 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules);

"**Tier 3 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules);

"**Tranche**" has the meaning given in the preamble to these Conditions;

"**Transfer Agents**" has the meaning given in the preamble to these Conditions;

"**Trust Deed**" has the meaning given in the preamble to these Conditions;

"**Trustee**" has the meaning given in the preamble to these Conditions; and

"**United Kingdom**" or "**UK**" means the United Kingdom of Great Britain and Northern Ireland.

19 Governing Law and Jurisdiction

(a) Governing law

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

(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 ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England in respect of any such Proceedings (but this is without prejudice to the rights of the Trustee or the Noteholders to commence Proceedings in any jurisdiction and/or concurrent Proceedings in one or more jurisdictions to the extent permitted by law).

TERMS AND CONDITIONS OF THE TIER 2 NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented 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 and except for the paragraphs in italics, shall be applicable to the Tier 2 Notes in definitive form (if any) issued in exchange for the Global Note(s) or Certificates representing each Series of Tier 2 Notes. The full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or Pricing Supplement (as applicable) shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. Accordingly, references in these terms and conditions to provisions "specified hereon" or "specified as such hereon" shall be to the provisions endorsed on the face of the relevant Note or Certificate or set out in the relevant Final Terms or Pricing Supplement (as applicable). 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 these 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. These Conditions shall be applicable to those Notes which are specified to be "Tier 2 Notes" in the relevant Final Terms or Pricing Supplement. References in these Conditions to "Notes" are to the Tier 2 Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a Series (as defined below) of Notes issued by Phoenix Group Holdings plc (the "**Issuer**") constituted by a trust deed dated 24 June 2019 as most recently amended and restated on 30 June 2023 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**")) (the "**Trust Deed**") between the Issuer and Citibank, N.A., London Branch (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 terms and 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 24 June 2019 as most recently amended and restated on 30 June 2023 (as amended or supplemented 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 initial issuing and paying agent, Citibank Europe plc as registrar 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 include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and (unless otherwise set out herein or hereon) the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours and upon reasonable notice at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and 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. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same

terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market in the United Kingdom or offered to the public in the United Kingdom in circumstances which require the publication of a Prospectus under the UK Prospectus Regulation (Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA) or the Financial Services and Markets Act 2000, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Fixed to Floating Rate Note, a Fixed Rate Reset Note or a Floating Rate Note or a combination of the foregoing, depending upon the Interest Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass upon 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 hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Transfers of Registered Notes

(a) *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 (as set out in Schedule 1 of the Trust Deed) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. 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.

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

In the case of an exercise of an Issuer's option in respect of a holding of Registered Notes represented by a single Certificate 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. 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.

(c) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three Business Days of receipt of the form of transfer and 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 form of transfer 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 form of transfer 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 Registrar or relevant Transfer Agent (as applicable) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**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).

(d) *Transfer Free of Charge*

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 by the person submitting such Notes or Certificates that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) *Closed Periods*

No Noteholder may require the transfer of a Note (or part thereof) to be registered during the period of 15 days ending on the due date for any payment of principal or interest or during the period following delivery of a notice of a voluntary payment of Arrears of Interest in accordance with Condition 5(d) and Condition 16 and ending on the date referred to in such notice as having been fixed for such payment of Arrears of Interest.

3 Status of the Notes

(a) *Status*

The Notes and the Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in any Issuer Winding-Up are as described in the Trust Deed, this Condition 3 and Condition 10.

(b) *Issuer Winding-Up*

Subject to Condition 3(c), if:

- (i) at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, (A) a solvent winding-up solely for the purpose of a reconstruction or amalgamation, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution and do not provide that the Notes or any amount in respect thereof shall thereby become payable or (B) the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed) of the Issuer in accordance with the provisions of Condition 12); or
- (ii) an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend or other distribution of the assets of the Issuer,

(the events in Conditions 3(b)(i) and 3(b)(ii) each being an "**Issuer Winding-Up**"),

the rights and claims of the Trustee (on behalf of the Noteholders and Couponholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed which shall not be subordinated), the Noteholders and the Couponholders against the Issuer in relation to the Notes, the Coupons and the Trust Deed (including, without limitation, any damages awarded for breach of any obligations under the Notes, the Coupons and the Trust Deed) will be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors of the Issuer, but shall rank:

- (A) in the case of dated Notes, being Notes with a Maturity Date stated hereon:
 - (x) at least *pari passu* with (i) all claims of holders of subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which have the necessary features to qualify as Tier 2 Capital as at their issue date and/or (in the case of financings entered into prior to 18 April 2018) which are, or have been, incurred by the Issuer in relation to a financing transaction where some or all of the initial proceeds from the relevant financing transaction were on-lent by the Issuer or any Subsidiary of the Issuer to any member of the Insurance Group in a form having the necessary features to qualify as Tier 2 Capital as at the date such on-loan was made and (ii) all claims of holders of other subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which rank, or are expressed to rank, *pari passu* with the Notes (and shall include, without limitation and for so long as any of the same shall remain outstanding, the Issuer's £428,113,000 6.625 per cent. Subordinated Notes due 2025 (ISIN XS1171593293) (the "**2025 Notes**")) (together, in the case of dated Notes, the "**Parity Obligations of the Issuer**"); and
 - (y) in priority to (i) (unless and until the Undated Notes Parity Election is made) the claims of holders of any undated or perpetual subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee), (ii) the claims of holders of any subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which rank, or are expressed to rank, junior to the Notes and (iii) the claims of holders of all classes of shares in the Issuer (together, in the case of dated Notes, the "**Junior Obligations of the Issuer**"); or
- (B) in the case of perpetual Notes, being Notes without a Maturity Date stated hereon:
 - (x) (unless and until an Undated Notes Parity Election is made) at least *pari passu* with all claims of holders of undated or perpetual subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) and

(following the making of an Undated Notes Parity Election, if any) at least *pari passu* with (i) all claims of holders of subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which have the necessary features to qualify as Tier 2 Capital as at their issue date and/or (in the case of financings entered into prior to 18 April 2018) which are, or have been, incurred by the Issuer in relation to a financing transaction where some or all of the initial proceeds from the relevant financing transaction were on-lent by the Issuer or any Subsidiary of the Issuer to any member of the Insurance Group in a form having the necessary features to qualify as Tier 2 Capital as at the date such on-loan was made and (ii) all claims of holders of other subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which rank, or are expressed to rank, *pari passu* with the Notes (together, in the case of perpetual Notes, the "**Parity Obligations of the Issuer**"); and

(y) in priority to (i) the claims of holders of any subordinated obligations of the Issuer (including, without limitation, obligations pursuant to a guarantee) which rank, or are expressed to rank, junior to the Notes and (ii) the claims of holders of all classes of shares in the Issuer (together, in the case of perpetual Notes, the "**Junior Obligations of the Issuer**").

(C) The Issuer may elect to elevate the ranking of the perpetual Notes such that they rank *pari passu* with the claims of holders of dated subordinated Notes of the Issuer which are, or have the necessary features to qualify as, Tier 2 Capital of the Issuer as at their respective dates of issue (an "**Undated Notes Parity Election**"). Subject to satisfaction of the Regulatory Clearance Condition and without the need for consent from the Couponholders, the Noteholders or the Trustee, the Issuer may make the Undated Notes Parity Election by giving notice thereof to the Noteholders in accordance with Condition 16 and to the Trustee, the Issuing and Paying Agent and the Registrar. The Undated Notes Parity Election shall take effect on the date such notice is given to the Noteholders in accordance with this Condition 3(b).

No Undated Notes Parity Election can take effect prior to the 2025 Notes having been redeemed.

(c) ***No Prejudice to Trustee Remuneration***

Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

(d) ***Solvency Condition***

Other than in circumstances where an Issuer Winding-Up has occurred or is occurring (but subject to Condition 3(c)), all payments under or arising from (including any damages awarded for breach of any obligations under) the Notes, the Coupons or the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be payable under or arising from the Notes, the Coupons or the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

For the purposes of this Condition 3(d), the Issuer will be solvent if (i) it is able to pay its debts owed to Senior Creditors of the Issuer and Parity Creditors of the Issuer as they fall due and (ii) its Assets exceed its Liabilities.

A certificate as to the solvency or lack thereof of the Issuer signed by two Directors of the Issuer or, if there is a winding-up or administration of the Issuer, the liquidator or, as the case may be, the administrator of the Issuer shall (in the absence of manifest error) be treated and accepted by the Issuer, the Trustee, the Noteholders, the Couponholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(e) *Set-off, etc.*

By acceptance of the Notes and/or the Coupons, and subject to applicable law, each Noteholder and each Couponholder will be deemed to have waived and to have directed and authorised the Trustee on its behalf to have waived any right of set-off or counterclaim that such Noteholder or Couponholder might otherwise have against the Issuer in respect of or arising under the Notes, the Coupons or the Trust Deed whether prior to or in liquidation, winding-up or administration. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder or Couponholder in respect of or arising under the Notes, the Coupons or the Trust Deed are discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the relevant liquidation, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

4 Interest and other Calculations

(a) *Interest on Fixed Rate Notes and Fixed to Floating Rate Notes*

Each Fixed Rate Note or Fixed to Floating Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest to (but excluding), (i) in the case of Fixed to Floating Rate Notes, the Fixed Rate End Date specified hereon, and (ii) in the case of Fixed Rate Notes, the Maturity Date (if applicable) specified hereon, and such interest shall (subject to Conditions 3(d) and 5) be payable in arrear on each Interest Payment Date specified hereon. The amount of interest payable shall be determined in accordance with Condition 4(e).

(b) *Interest on Fixed Rate Reset Notes*

Each Fixed Rate Reset Note bears interest on its outstanding principal amount (unless a Benchmark Event has occurred, in which case the First Reset Rate of Interest and/or any Subsequent Reset Rate of Interest, as applicable, shall be determined pursuant to and in accordance with Condition 4(l)):

- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Note Reset Date at the Initial Rate of Interest;
- (ii) from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date 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,

and such interest shall (subject to Conditions 3(d) and 5) be payable, in each case, in arrear on the Interest Payment Dates specified hereon. The amount of interest payable shall be determined in accordance with Condition 4(e).

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

(c) ***Interest on Floating Rate Notes and Fixed to Floating Rate Notes***

(i) Interest Payment Dates

Each Floating Rate Note and each Fixed to Floating Rate Note bears interest on its outstanding principal amount from (and including), in the case of a Floating Rate Note, the Interest Commencement Date and, in the case of a Fixed to Floating Rate Note, the Fixed Rate End Date specified hereon at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest shall (subject to Conditions 3(d) and 5) be payable in arrear on each Interest Payment Date in the case of a Floating Rate Note and on each Interest Payment Date commencing after the Fixed Rate End Date specified hereon in the case of a Fixed to Floating Rate Note. The amount of interest payable shall be determined in accordance with Condition 4(e). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first such Interest Payment Date, after the Interest Commencement Date, in the case of a Floating Rate Note, or after the Fixed Rate End Date, in the case of a Fixed to Floating Rate Note.

(ii) Business Day Convention

If any date referred to in these Conditions 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 hereon is (A) the Floating Rate Business Day Convention, 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 such subsequent date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes and Fixed to Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes and, from and including the Fixed Rate End Date, Fixed to Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon (unless a Benchmark Event has occurred, in which case the relevant Rate of Interest shall be determined pursuant to and in accordance with Condition 4(1)).

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each relevant Interest Accrual Period shall be determined by the Calculation Agent, subject to Condition 4(1), as a rate equal to

the relevant ISDA Rate. 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 hereon;
- (y) the Designated Maturity is a period specified as such hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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.

Unless otherwise specified hereon, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination – Floating Rate Notes referencing EURIBOR

(x) Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate specified hereon is EURIBOR, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l) and subject as provided below, be either:

- (1) the offered quotation; or
- (2) 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 11.00 a.m. (Brussels time), on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) subject to Condition 4(l), if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) 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 Issuer shall request the principal Eurozone office of each of the Reference Banks to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and 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 arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in euro for a period equal to that which would have been used for the Reference Rate by leading banks in the Eurozone inter-bank market, or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the rate of interest shall be the offered rate for deposits in euro 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 euro for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time), 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 Issuer it is quoting to leading banks in the Eurozone inter-bank market provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum 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 or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

Unless otherwise specified hereon, the Minimum Rate of Interest shall be deemed to be zero.

- (C) Screen Rate Determination – Floating Rate Notes Referencing SONIA (Non-Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is SONIA and (iii) Index Determination is specified hereon as "Not Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l) and subject as provided below, be Compounded Daily SONIA, as determined by the Calculation Agent.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards:

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

where:

"**d**" is the number of calendar days in:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Observation Period;

"**d_o**" means the number of London Banking Days in:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the relevant Observation Period;

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

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the first London Banking Day in the relevant Interest Accrual Period to, and including, the last London Banking Day in the relevant Interest Accrual Period; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, the first London Banking Day in the relevant Observation Period to, and including, the last London Banking Day in the relevant Observation Period;

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

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

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

"**p**" means, for any Interest Accrual Period, the whole number specified hereon (or, if no such number is so specified, five, provided that a number lower than five may only be so specified by the Issuer with the prior agreement of the Calculation Agent) representing a number of London Banking Days;

the "**SONIA reference rate**", in respect of any London Banking Day, means a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day) or, if the SONIA reference rate cannot be obtained from the Relevant Screen Page or is not otherwise published by such authorised distributors, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate) in respect of such London Banking Day; and

"**SONIA_{i-PLBD}**" means:

- a. where "Lag" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i"; or
- b. where "Observation Shift" is specified as the Observation Method in the relevant Final Terms or Pricing Supplement, in respect of any London Banking Day "i", the SONIA reference rate for that day.

If, in respect of any London Banking Day, the Calculation Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads). If such Bank Rate is not available, then the SONIA reference rate in respect of such London Banking Day shall be the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

In the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest specified hereon 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 the 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 Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" London Banking Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(D) Screen Rate Determination – Floating Rate Notes Referencing SONIA (Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is SONIA and (iii) Index Determination is specified hereon as "Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l) and subject as provided below, be the SONIA Compounded Index Rate, as determined by the Calculation Agent.

"**SONIA Compounded Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards:

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1 \right) \times \frac{365}{d}$$

where:

"**London Banking Day**" and "**Observation Period**" have the meanings set out under Condition 4(c)(iii)(C);

"**d**" means the number of calendar days in the relevant Observation Period;

"**p**" means, for any Interest Accrual Period, the whole number specified hereon (or, if no such number is so specified, five, provided that a number lower than five shall only be so specified with the prior agreement of the Calculation Agent) representing a number of London Banking Days in the Observation Period;

"**SONIA Compounded Index**" means the index known as the "SONIA Compounded Index" administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index_{END}**" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the date falling "p" London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period);

"**SONIA Compounded Index_{START}**" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the date falling "p" London Banking Days prior to the first day of such Interest Accrual Period; and

"**SONIA Compounded Index Value**" means, in relation to any London Banking Day, the value of the SONIA Compounded Index as published on the Relevant Screen Page on such London Banking Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of the relevant London Banking Day.

Subject to Condition 4(l), if the SONIA Compounded Index Value is not available by 5:00 p.m. (London Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date in relation to any Interest Accrual Period on the Relevant Screen Page or the Bank of England's website (or such other page or website referred to in the definition of "SONIA Compounded Index Value" above) for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Rate of Interest for such Interest Accrual Period shall be "Compounded Daily SONIA" determined as set out in Condition 4(c)(iii)(C) above and as if Index Determination were specified hereon as being "Not Applicable", and for these purposes: (A) the "Observation Method" shall be deemed to be "Observation Shift"; and (B) the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" specified hereon.

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" London Banking Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(E) Screen Rate Determination – Floating Rate Notes Referencing SOFR (Non-Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is either Compounded Daily SOFR or Weighted Average SOFR and (iii) Index Determination is specified hereon as "Not Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(1)(v) be as provided below.

Where it is specified hereon that the Reference Rate is Compounded Daily SOFR, the provisions of paragraph (1) below of this Condition 4(c)(iii)(E) apply.

Where it is specified hereon that that the Reference Rate is Weighted Average SOFR, the provisions of paragraph (2) below of this Condition 4(c)(iii)(E) apply.

(1) *Compounded Daily SOFR*

Where this paragraph (1) applies, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(1)(v) and subject as provided below, be Compounded Daily SOFR, as determined by the Calculation Agent.

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

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

where:

"**d**" is the number of calendar days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

"**D**" means the number specified as such hereon (or, if no such number is so specified, 360);

"**d_o**" means the number of U.S. Government Securities Business Days in:

- (i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

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

(i) where "Lag" or "Lock-out" is specified as the Observation Method hereon, the relevant Interest Accrual Period; or

(ii) where "Observation Shift" is specified as the Observation Method hereon, the relevant SOFR Observation Period;

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

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

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

"**p**" means, for any Interest Accrual Period, a whole number specified hereon (or, if no such number is so specified, five) representing a number of U.S. Government Securities Business Days;

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

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

"**SOFR_i**" means the SOFR for:

(i) where "Lag" is specified as the Observation Method hereon, the U.S. Government Securities Business Day falling "**p**" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "**i**";

(ii) where "Lock-out" is specified as the Observation Method hereon:

(a) in respect of each U.S. Government Securities Business Day "**i**" that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or

(b) in respect of each U.S. Government Securities Business Day "**i**" that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the

U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date);
or

- (iii) where "Observation Shift" is specified as the Observation Method hereon, the relevant U.S. Government Securities Business Day "i"; and

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

(2) *Weighted Average SOFR*

Where this paragraph (2) applies, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(1)(v) and subject as provided below, be Weighted Average SOFR, as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards), where:

"Weighted Average SOFR" means:

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

Capitalised terms used in this paragraph (2) and not otherwise defined herein have the meanings given to them in paragraph (1) above of this Condition 4(c)(iii)(E).

(3) *SOFR Unavailable*

Subject to Condition 4(l)(v), if, where any Rate of Interest is to be calculated pursuant to this Condition 4(c)(iii)(E), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4(c)(iii)(E) but without prejudice to Condition 4(l)(v), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of the penultimate paragraph of Condition 4(c)(iii)(C).

(4) *Rate of Interest for an irregular period*

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling "p" U.S. Government Securities Business Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(F) Screen Rate Determination – Floating Rate Notes Referencing SOFR (Index Determination)

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate specified hereon is Compounded Daily SOFR and (iii) Index Determination is specified hereon as "Applicable", the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(l)(v) and subject as provided below, be the Compounded SOFR Index Rate, as determined by the Calculation Agent.

"**Compounded SOFR Index Rate**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (expressed as a percentage and rounded, if necessary, to the fifth decimal place, or to such other number of decimal places as specified hereon, with 0.000005 being rounded upwards):

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

where:

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

"**Relevant Number**" means the number of U.S. Government Securities Business Days specified as such hereon (or, if no such number is so specified, five);

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

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

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

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

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

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

If, as at any relevant SOFR Determination Time, the SOFR Index_{Start} or the SOFR Index_{End} is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR Index Rate for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 4(c)(iii)(E) as if "Index Determination" were specified hereon as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift" and (ii) "p" shall be deemed to be equal to the Relevant Number, as if such alternative elections had been made hereon.

If the Notes become due and payable otherwise than on an Interest Payment Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be:

- a. if the Notes become due and payable in accordance with Condition 10, the date on which the Notes became due and payable; or
- b. in any other case, the date falling the Relevant Number of U.S. Government Securities Business Days prior to the date on which the Notes became due and payable,

and the Rate of Interest on the Notes shall, for so long as any Note remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(d) Margin, Maximum/Minimum Rates of Interest and Rounding

- (i) If any Margin is specified hereon (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

In setting the Maximum or Minimum Rate of Interest, the Issuer shall have consideration to the limitations set out in any Relevant Rules.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) 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), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) 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 or countries of such currency.

(e) 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 hereon, 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 for the period for which interest is required to be calculated. Where the Specified Denomination comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination specified hereon.

(f) Linear Interpolation

Where Linear Interpolation is specified hereon 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 hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon 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 a 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.

(g) *Determination and Publication of Rates of Interest and Interest Amounts*

The Calculation Agent shall, subject to Condition 4(l), as soon as practicable on each Interest Determination Date or Reset Determination Date (as applicable), 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, 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, to be notified to the Trustee, the Issuer, each of the Paying Agents, 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 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 any event no 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(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall 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. 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 upon all parties.

(h) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Issuing and Paying Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) *Accrual of Interest*

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

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issuing and Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 16.

(j) **Definitions**

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

"Anniversary Date" means the date specified as such hereon.

"Applicable Maturity" has the meaning given to it in Condition 4(f).

"Benchmark Frequency" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Benchmark Gilt" means such United Kingdom government security having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer, on the advice of an investment bank or financial adviser of international repute, may determine would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling and of a comparable maturity to the relevant Reset Period.

"Benchmark Gilt Quotation" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank on a dealing basis for settlement on the next following dealing day in London.

"Benchmark Gilt Rate" means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to three decimal places, with 0.0005 rounded upwards) determined by the Calculation Agent on the basis of the Benchmark Gilt Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Issuer and by the Issuer to the Calculation Agent at approximately 3.00 p.m. (London time) on the Reset Determination Date in respect of such Reset Period. 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 Reset Period commencing on the First Reset Note Reset Date, the Reset Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Note Reset Date, an amount specified hereon as the "First Reset Period Fallback".

"Broken Amount" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"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; and/or
- (ii) in the case of euro, a day on which T2 is open for the settlement of payments in euro (a "**T2 Business Day**"); and/or

- (iii) in the case of a currency and/or one or more Additional Business Centres specified hereon, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"Business Day Convention" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Calculation Amount" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"CMT Designated Maturity" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"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 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 4:30 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 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 the U.S. Government Securities Business Day following such Reset Determination Date.

"CMT Rate Screen Page" has the meaning given to it in the relevant Final Terms or Pricing Supplement 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.

"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 Interest Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual - ISDA"** is specified hereon, 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 hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/365 (Sterling)"** is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if **"Actual/360"** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified hereon, 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 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;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, 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;

- (vii) if "**30E/360 (ISDA)**" is specified hereon, 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

(viii) if "**Actual/Actual-ICMA**" is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the 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; and

(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 (1) the number of days in such Determination Period and (2) 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 (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Date**" means the date specified as such hereon or, if none is so specified, the Interest Payment Date; and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**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.

"**Eurozone**" means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**First Reset Note Reset Date**" means the date specified as such hereon.

"**First Reset Period**" means the period from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date.

"First Reset Period Fallback" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"First Reset Rate of Interest" means the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the Reset Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the First Reset Period (such calculation to be made by the Calculation Agent)).

"Fixed Leg" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Fixed Rate End Date" means the date specified as such hereon.

"Floating Leg" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

"Floating Rate Business Day Convention" has the meaning given to it in Condition 4(c).

"Following Business Day Convention" has the meaning given to it in Condition 4(c).

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

"Initial Rate of Interest" means the initial rate of interest per annum specified hereon.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date, in respect of the Floating Rate Notes, and the Fixed Rate End Date, in respect of the Fixed to Floating Rate Notes, 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, 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, Fixed Rate Reset Notes, and, prior to the Fixed Rate End Date, Fixed to Floating Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and, 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 hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified: (i) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Reference Rate is EURIBOR or (ii) if the Reference Rate is SONIA, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Accrual Period or (iii) if the Reference Rate is SOFR, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Accrual Period.

"Interest Payment Date" has the meaning given to it in Condition 4(c).

"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.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2006 ISDA Definitions as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc. unless otherwise specified hereon.

"ISDA Determination" has the meaning given to it in Condition 4(c).

"ISDA Rate" has the meaning given to it in Condition 4(c).

"Margin" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

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

- (i) 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 Note 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 the 6-month EURIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified hereon;
- (ii) if the Specified Currency is not euro, for the Fixed Leg (as set out hereon) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Note 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 hereon).

"Mid-Swap Rate" means in respect of a Reset Period, (i) the applicable semi-annual or annual (as specified hereon) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified hereon) 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 or (ii) if such rate is not displayed on the Screen Page at such time and date, the relevant Reset Reference Bank Rate.

"Modified Following Business Day Convention" has the meaning given to it in Condition 4(c).

"Preceding Business Day Convention" has the meaning given to it in Condition 4(c).

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Issuer or as specified hereon.

"Reference Rate" means (i) EURIBOR, (ii) SONIA, (iii) Compounded Daily SOFR or (iv) Weighted Average SOFR, as specified hereon.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"Reset Determination Date" means, in respect of a Reset Period, (a) each date specified as such hereon or, if none is so specified, (b) (i) if the Specified Currency is sterling, the day falling two Business Days prior to the first day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two T2 Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency

is US dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period (without prejudice to the operation of the fallbacks set out in paragraph (iii) of the definition of "CMT Rate") (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 Margin" means the margin (expressed as a percentage) specified as such hereon.

In setting the Reset Margin the Issuer shall have consideration to the limitations set out in any Relevant Rules.

"Reset Note Reset Date" means every date which falls on each Anniversary Date as may be specified hereon.

"Reset Period" means the First Reset Period or a Subsequent Reset Period.

"Reset Rate" means (a) if "Mid-Swap Rate" is specified hereon, the relevant Mid-Swap Rate, (b) if "Benchmark Gilt Rate" is specified hereon, the relevant Benchmark Gilt Rate or (c) if "CMT Rate" is specified hereon, the relevant CMT Rate.

"Reset Reference Bank Rate" means the percentage rate determined on the basis of (a) if "Mid-Swap Rate" is specified hereon, the Mid-Swap Quotations provided by the Reset Reference Banks to the Issuer (and any such quotations received shall be provided by the Issuer 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 hereon, the percentage rate determined by the Calculation Agent on the basis of the Reset United States Treasury Securities Quotations provided by the Reset Reference Banks to the Issuer (and any such quotations received shall be provided by the Issuer to the Calculation Agent) at or around 11:00 a.m. (New York City time) on the U.S. Government Securities Business Day following 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 Reset Period commencing on the First Reset Note Reset Date, the relevant Mid-Swap Rate or CMT Rate (as applicable) in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Note Reset Date, the percentage rate specified hereon 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 hereon, five leading swap dealers in the principal interbank market relating to the Specified Currency, (ii) in the case of the calculation of a Reset Reference Bank Rate where "CMT Rate" is specified hereon, five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York or (iii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers, in each case, as selected by the Issuer.

"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 the yield-to-maturity based on the arithmetic mean of the secondary market bid price of such Reset Reference Bank for Reset United States Treasury Securities at approximately 11:00 a.m. (New

York City time) on the U.S. Government Securities Business Day following 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 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 the screen page specified hereon or such other page on Thomson Reuters as is specified hereon, 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.

"Screen Rate Determination" has the meaning given to it in Condition 4(c).

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Subsequent Reset Period" means each successive period other than the First Reset Period from (and including) a Reset Note Reset Date to (but excluding) the next succeeding Reset Note Reset Date.

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the Reset Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent)).

"Swap Rate Period" means the period or periods specified as such hereon.

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"United States Treasury Securities" means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

"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.

(k) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agent(s) if provision is made for them hereon 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 fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount or 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 inter-bank market (or, if appropriate, money, swap or over-the-counter index options 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.

(l) *Benchmark Discontinuation*

(i) Independent Adviser

Subject to Condition 4(l)(v) below and notwithstanding the fallback provisions provided for in Conditions 4(c)(iii)(B) to 4(c)(iii)(F), as applicable, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the provisions of this Condition 4(l)(i)-(iv) shall apply.

The Issuer shall use its reasonable endeavours to appoint 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(l)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4(l)(iv)). In making such determination, the Issuer shall act in good faith. In the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 4(l).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate, together with the applicable Adjustment Spread, in accordance with this Condition 4(l)(i) or Condition 4(l)(ii) prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Interest Accrual Period shall be determined in accordance with Condition 4(c) or the definitions of Benchmark Gilt Rate, Mid-Swap Rate and/or Reset Reference Bank Rate (as the case may be) and Condition 4(d). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period or Interest Accrual Period only and any subsequent Interest Periods or Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(l)(i).

(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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(l)); 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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(l)).

(iii) Adjustment Spread

The applicable Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(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(l) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions, the Agency Agreement 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 (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(l)(vi), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement 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 Directors of the Issuer pursuant to Condition 4(l)(vi), 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 supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the 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 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(l)(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.

Notwithstanding any other provision of this Condition 4(l), no Successor Rate, Alternative Rate or Benchmark Replacement will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital.

(v) SOFR Benchmark Replacement

Notwithstanding the provisions above in Conditions 4(c)(iii)(B) to 4(c)(iii)(F), if the Original Reference Rate is SOFR, "SOFR Benchmark Replacement" is specified as "Applicable" hereon and a 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(l)(v) shall apply instead of Conditions 4(l)(i) to 4(l)(iv) above.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark 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(l)(v) with respect to such Benchmark Replacement).

Where this Condition 4(l)(v) 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(l)(vi) without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement 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 and each Agent which is party to the Agency Agreement of a certificate signed by two Directors of the Issuer pursuant to Condition 4(l)(vi), the Trustee and each Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders or Couponholders, 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 by an agreement supplemental to or amending the Agency Agreement (as applicable)) and the Trustee and each Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and any Agent shall not be obliged so to concur if in the opinion of the Trustee and/or such Agent 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 it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

If the Issuer fails to determine a Benchmark Replacement in accordance with this Condition 4(l)(v) or to appoint an Independent Adviser in accordance with Condition 4(n)(i), in each case prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest (if specified hereon) or (if no Initial Rate of Interest is specified hereon) the Rate of Interest which would have applied to the Notes if the Issue Date had been the last day of the first Interest Accrual Period. Where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(l)(v).

In connection with any such variation in accordance with this Condition 4(l)(v), 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.

In no event shall the Calculation Agent be responsible for determining any substitute for SOFR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any

such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent will be entitled to conclusively rely on any determinations made by Issuer and will have no liability for such actions taken at the direction of the Issuer.

Any determination, decision or election that may be made by the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's sole discretion, and, will become effective without consent from any other party. None of the Trustee or the Agents shall have any liability for any determination made by or on behalf of the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement.

For the purposes of this Condition 4(l)(v):

"Benchmark" means, initially, the Original Reference Rate, provided that if the Issuer determines prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement.

"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) 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 then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (B) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (C) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) 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 (including any daily published component used in the calculation thereof) 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, 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 then-current Benchmark (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 Benchmark permanently or indefinitely ceases to provide the Benchmark (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 Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

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

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (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 Benchmark (or such component); or

- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"ISDA Definitions" means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified hereon, in each case as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc.

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

"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 Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

"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.

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

Notwithstanding any other provision of this Condition 4(1), no Successor Rate, Alternative Rate or Benchmark Replacement will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital.

- (vi) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Replacement and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes determined under this Condition 4(1) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or 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 Directors of the Issuer:

- (1) where a Benchmark Event has occurred in relation to an Original Reference Rate:
- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable 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(1); and

- (B) 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; or
- (2) where a Benchmark Replacement is determined in accordance with Condition 4(l)(v) above:
 - (A) confirming (A) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement determined in accordance with Condition 4(l)(v), 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 Issuer) and (2) the applicable Benchmark Replacement Adjustment (if any), and (iii) the specific terms of the Benchmark Replacement Conforming Changes (if any); and
 - (B) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement.

The Trustee shall be entitled to rely on such certificate (without 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 or bad faith in the determination of 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) 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.

(vii) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(l) (i), (ii), (iii), (iv) and (v), the Original Reference Rate and (where relevant) the provisions of Conditions 4(c)(iii)(B) to 4(c)(iii)(F) or the definitions of Benchmark Gilt Rate, Mid-Swap Rate and/or Reset Reference Bank Rate (as the case may be) and Condition 4(d) will continue to apply unless and until (i) a Benchmark Event has occurred and the Trustee, the Agent and (in accordance with Condition 16) the Noteholders have been notified of the Successor Rate or Alternative Rate (as applicable), the applicable Adjustment Spread and any Benchmark Amendments determined pursuant to Condition 4(l)(iv), or (ii) a Benchmark Transition Event has occurred and the Trustee has been notified of the Benchmark Replacement (including any Benchmark Replacement Adjustment, if applicable) and Benchmark Replacement Conforming Changes (if any), in each case, in accordance with Condition 4(l)(vi).

(viii) Definitions:

As used in this Condition 4(l):

"**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:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (if the Issuer determines that no such spread is customarily applied);
- (C) the Issuer, following consultation with the Independent Adviser, determines 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); or
- (D) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 4(l)(ii) is customarily applied in debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(l)(iv).

"**Benchmark Event**" means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) 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
- (C) 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
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that 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
- (F) it has 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;

provided that in the case of sub-paragraphs (B) and (C) above the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate or the date of the discontinuation of the Original Reference Rate, in the case of sub-paragraph (D) above, the Benchmark Event shall occur on the date of prohibition of use of the Original Reference Rate and in the case of sub-paragraph (E) above, the Benchmark Event shall occur 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, as the case may be, and not the date of the relevant public statement.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(l)(i) or 4(l)(v), as applicable.

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or any Successor Rate or Alternative Rate (or component part thereof) determined pursuant to this Condition 4(l).

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

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (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.

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

5 Deferral of Payments

(a) *Optional Deferral of Interest*

If "Optional Interest Payment Date" is specified as being applicable hereon, the Issuer may elect in respect of any Optional Interest Payment Date by notice to the Noteholders, the Paying Agents and the Trustee pursuant to Condition 5(e) below, to defer payment of all (but not some only) of the interest accrued to that date and the Issuer shall not have any obligation to make such payment on that date.

Notwithstanding any other provision in these Conditions or the Trust Deed, the deferral of any payment of interest on an Optional Interest Payment Date in accordance with this Condition 5(a) will not constitute a default by the Issuer and will not give the Noteholders, the Couponholders or the Trustee any right to accelerate repayment of the Notes.

(b) *Mandatory Deferral of Interest*

Payment of interest on the Notes by the Issuer will be mandatorily deferred on each Regulatory Deficiency Interest Deferral Date. The Issuer shall notify the Noteholders, the Paying Agents and the Trustee of any Regulatory Deficiency Interest Deferral Date in accordance with Condition 5(e)

(provided that failure to make such notification shall not oblige the Issuer to make payment of such interest, or cause the same to become due and payable, on such date) and the Issuer shall not have any obligation to make such payment on that date.

A certificate signed by two Directors of the Issuer delivered to the Trustee confirming that (a) a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made or (b) a Regulatory Deficiency Interest Deferral Event has ceased to occur and/or payment of interest on the Notes would not result in a Regulatory Deficiency Interest Deferral Event occurring, may, in the absence of manifest error, be treated and accepted by the Trustee as correct and sufficient evidence thereof and shall if so treated and accepted be binding on the Issuer, the holders of the Notes and the Coupons relating to them and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any payment of interest on a Regulatory Deficiency Interest Deferral Date in accordance with this Condition 5(b) or in accordance with Condition 3(d) will not constitute a default by the Issuer and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes.

(c) *Arrears of Interest*

Any interest in respect of the Notes not paid on an Interest Payment Date as a result of (i) the exercise by the Issuer of its discretion pursuant to Condition 5(a) (if applicable), (ii) the obligation on the Issuer to defer pursuant to Condition 5(b) or (iii) the operation of the Solvency Condition contained in Condition 3(d), together with any other interest in respect thereof not paid on an earlier Interest Payment Date shall, so long as the same remains unpaid, constitute "**Arrears of Interest**".

Arrears of Interest shall not themselves bear interest.

(d) *Payment of Arrears of Interest by the Issuer*

Any Arrears of Interest may (subject to Condition 3(d), the Relevant Rules and, if then required under the Relevant Rules, to satisfaction of the Regulatory Clearance Condition), be paid by the Issuer in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Trustee, the Paying Agents and the Noteholders in accordance with Condition 16, and in any event will become due and payable by the Issuer (subject, in the case of (i) and (iii) below, to Condition 3(d) and, if then required under the Relevant Rules, to satisfaction of the Regulatory Clearance Condition) in whole (and not in part) upon the earliest of the following dates:

- (i) the next Interest Payment Date which is not a Regulatory Deficiency Interest Deferral Date (as evidenced by delivery of the certificate referred to in Condition 5(b)) and on which a scheduled payment of interest in respect of the Notes (or any part thereof) is made or is required to be made pursuant to these Conditions (other than a voluntary payment of Arrears of Interest); or
- (ii) the date on which an Issuer Winding-Up occurs; or
- (iii) the date fixed for any redemption or purchase of Notes by the Issuer pursuant to Condition 6 (subject to any deferral of such redemption date pursuant to the Solvency Condition or Condition 6(b)) or Condition 10.

If either of the events set out in Condition 5(d)(i) or (iii) occurs the Issuer promptly shall give notice to the Trustee, the Issuing and Paying Agent and the Noteholders in accordance with Condition 16.

(e) *Notice of Deferral*

The Issuer shall notify the Trustee, the Paying Agents and the Noteholders in writing in accordance with Condition 16 not less than five Business Days prior to an Interest Payment Date:

- (i) if that Interest Payment Date is an Optional Interest Payment Date in respect of which the Issuer elects to defer interest as provided in Condition 5(a) above;
- (ii) if that Interest Payment Date is a Regulatory Deficiency Interest Deferral Date and specifying that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date, provided that if a Regulatory Deficiency Interest Deferral Event occurs or is determined to occur (or if a determination that a Regulatory Deficiency Interest Deferral Event would occur if the relevant interest payment were to be made is made) less than five Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 16 as soon as reasonably practicable following the occurrence of such event (and, in either case, such notice shall specify that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date); or
- (iii) if payment of any interest will not become due on such Interest Payment Date as a result of a failure to satisfy the Solvency Condition, provided that if the circumstances resulting in non-satisfaction of the Solvency Condition occur, or are determined to occur, less than five Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 16 as soon as reasonably practicable following the occurrence of such event (and in either case such notice shall specify that interest will not be paid as a result of non-satisfaction of the Solvency Condition).

6 Redemption, Substitution, Variation, Purchase and Options

(a) *Redemption at Maturity*

Subject to Conditions 3(d), 6(b) and 6(j), unless previously redeemed or purchased and cancelled as provided below, if a Maturity Date is specified hereon, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount), together with any interest accrued to (but excluding) the date of redemption in accordance with these Conditions and any Arrears of Interest.

(b) *Deferral of redemption date*

- (i) No Notes shall be redeemed on the Maturity Date (if any) pursuant to Condition 6(a) or redeemed prior to the Maturity Date (if any) pursuant to Condition 6(c), 6(d), 6(e), 6(f) or 6(g) or purchased pursuant to Condition 6(h) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption or purchase were made on, if Condition 6(a) applies, the Maturity Date or, if Condition 6(c), 6(d), 6(e), 6(f) or 6(g) applies, any date specified for redemption in accordance with such Conditions or, if Condition 6(h) applies, the date of such purchase.
- (ii) If the Notes are not to be redeemed on the Maturity Date (if any) pursuant to Condition 6(a) or on any redemption date pursuant to Condition 6(c), 6(d), 6(e), 6(f) or 6(g) (as applicable) as a result of circumstances where:

- (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were redeemed on such date;
- (B) the Solvency Condition would not be satisfied on such date or immediately after the redemption; or
- (C) the Regulatory Clearance Condition is not satisfied (to the extent then required under the Relevant Rules) in relation to such redemption; and/or
- (D) such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date,

the Issuer shall notify the Trustee and the Issuing and Paying Agent in writing and notify the Noteholders in accordance with Condition 16 no later than five Business Days prior to the Maturity Date (if any) or the date specified for redemption in accordance with Condition 6(c), 6(d), 6(e), 6(f) or 6(g), as applicable, (or as soon as reasonably practicable if the relevant circumstance requiring redemption to be deferred arises, or is determined, less than five Business Days prior to the relevant redemption date).

Failure to make any such notification shall not cause the Notes to become due and payable on such date and the Issuer shall not have any obligation to redeem the Notes (or make any redemption payment in respect of the Notes) on that date.

- (iii) If redemption of the Notes does not occur on the Maturity Date (if any) or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c), 6(d), 6(e), 6(f) or 6(g) as a result of Condition 6(b)(i) above or Condition 6(j) below, subject (in the case of (A) and (B) only) to Condition 3(d) and to the Regulatory Clearance Condition (if then applicable in accordance with the Relevant Rules) and to such redemption being otherwise permitted under the Relevant Rules, such Notes shall be redeemed at their Final Redemption Amount (which, unless otherwise provided hereon, shall be their principal amount) or, as applicable, the relevant price specified in Condition 6(c), (d), (e), (f) or (g) together with accrued and unpaid interest to (but excluding) the date fixed for redemption and any Arrears of Interest, upon the earliest of:
 - (A) in the case of a failure to redeem due to the operation of Condition 6(b)(i) only, the date falling 10 Business Days after the date the Regulatory Deficiency Redemption Deferral Event has ceased (unless, on such tenth Business Day, a further Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or redemption of the Notes on such date would result in a Regulatory Deficiency Redemption Deferral Event occurring, in which case the provisions of this Condition 6(b) shall apply *mutatis mutandis* to determine the due date for redemption of the Notes); or
 - (B) the date falling 10 Business Days after the relevant regulatory approval for the repayment or redemption of the Notes (where such approval is required under the Relevant Rules) is received; or
 - (C) the date on which an Issuer Winding-Up occurs.
- (iv) If on any date Condition 6(b)(i) does not apply, but redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 6(c), (d), (e), (f) or (g) as a result of the non-satisfaction of the Solvency Condition, subject to Condition 6(j), such Notes shall be redeemed at their Final Redemption Amount (which, unless otherwise provided hereon, shall be their principal amount) or, as

applicable, the relevant price specified in Condition 6(c), (d), (e), (f) or (g) together with accrued but unpaid interest and any Arrears of Interest on the tenth Business Day immediately following the day that (A) the Issuer is solvent for the purposes of Condition 3(d) and (B) that redemption of the Notes would not result in the Issuer ceasing to be solvent for the purposes of Condition 3(d), provided that if on such Business Day specified for redemption a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if the Notes were to be redeemed then the Notes shall not be redeemed on such date and Conditions 3(d) and 6(b)(iii) shall apply, *mutatis mutandis*, to determine the date of the redemption of the Notes.

- (v) In addition to any certificate given pursuant to Condition 3(d) in relation to the satisfaction or otherwise of the Solvency Condition, a certificate signed by two Directors of the Issuer delivered to the Trustee confirming that (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if redemption of the Notes were to be made or (B) a Regulatory Deficiency Redemption Deferral Event has ceased to occur and/or redemption of the Notes would not result in a Regulatory Deficiency Redemption Deferral Event occurring or (C) that any circumstance described in Condition 6(b)(ii)(B) or (C) applies, may (in the absence of manifest error) be treated and accepted by the Trustee as correct and sufficient evidence thereof and shall if so treated and accepted be binding on the Noteholders, the Couponholders and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.
- (vi) In circumstances where redemption of the Notes has been deferred, the Issuer shall, as soon as reasonably practicable following its determination of the new scheduled redemption date in accordance with this Condition 6(b), give notice to the Trustee and to the Noteholders in accordance with Condition 16 of the new scheduled redemption date (but this shall be without prejudice to further deferral of redemption on such date in the circumstances required by these Conditions).
- (vii) Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of redemption of the Notes in accordance with Condition 3(d) or this Condition 6(b) will not constitute a default by the Issuer and will not give Noteholders or the Trustee any right to accelerate the Notes or take any enforcement action under the Notes or the Trust Deed.

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

Unless the Issuer shall have given notice to redeem the Notes under Condition 6(d), 6(e) or 6(f) on or prior to the expiration of the notice referred to below, and if "Call Option" is specified hereon, the Issuer may at its option, subject to Conditions 3(d), 6(b) and 6(j) and having given not less than 15 nor more than 60 days' notice (or such other notice period as may be specified hereon) to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 16, the Noteholders (which notice shall specify the date set for redemption and shall, subject as aforesaid, be irrevocable) redeem all (but not some only) of the Notes on any Optional Redemption Date specified hereon.

Any such redemption of Notes shall be at their Optional Redemption Amount (as may be provided for hereon) together with any accrued and unpaid interest to (but excluding) the date fixed for redemption in accordance with these Conditions and any Arrears of Interest.

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 6(c).

(d) ***Redemption, Substitution or Variation at the Option of the Issuer for Taxation Reasons***

Subject to Conditions 3(d), 6(b) and 6(j), if the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (i) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective on or after the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series (a) on the next Interest Payment Date, the Issuer will or would be required to pay Additional Amounts; or (b) the Issuer would not be able to claim a deduction from taxable profits for corporation tax purposes for or in respect of interest payable on the Notes (or for a material part of such interest) in the United Kingdom; or (c) the Issuer suffers or would suffer any other material adverse tax consequence in connection with the Notes in a Relevant Jurisdiction; (each of the events referred to in this Condition 6(d)(i) being referred to in these Conditions as a "**Tax Event**"); and
- (ii) the effect of the foregoing cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 15 nor more than 60 days' notice to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 16, the Noteholders (which notice shall specify the date set for redemption and shall, subject as aforesaid, be irrevocable) either:

- (A) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Special Redemption Price (which, unless otherwise specified hereon, shall be their principal amount) together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (x) with respect to Condition 6(d)(i)(a) above, the Issuer would be obliged to pay such additional amounts; (y) with respect to Condition 6(d)(i)(b) above, the Issuer would not be able to claim a deduction from taxable profits for corporation tax purposes for or in respect of interest payable on the Notes (or a material part of it would not be so deductible) in the United Kingdom, as referred to in Condition 6(d)(i)(b) above; or (z) with respect to Condition 6(d)(i)(c) above, the relevant adverse tax consequence would arise or be suffered, in each case were a payment in respect of the Notes then due; or
- (B) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities, and the Trustee shall (subject to the receipt by it of the certificates of the Directors referred to in Condition 6(j)(i) below and in the definition of "Qualifying Securities") agree to such substitution or variation.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(e) ***Redemption, Substitution or Variation at the Option of the Issuer due to Capital Disqualification Event***

Subject to Conditions 3(d), 6(b) and 6(j), if a Capital Disqualification Event has occurred and is continuing, then the Issuer may at its option, having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 16, the Trustee, the Issuing and Paying Agent and the Registrar, which notice shall specify the date set for redemption and shall (subject as aforesaid) be irrevocable, either:

- (i) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Special Redemption Price (which, unless otherwise specified hereon, shall be their principal amount) together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) substitute at any time all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain Qualifying Securities and the Trustee shall (subject to the receipt by it of the certificates of the Directors referred to in Condition 6(j)(i) below and in the definition of "Qualifying Securities") agree to such substitution or variation,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Capital Disqualification Event.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(f) ***Redemption, Substitution or Variation at the Option of the Issuer for Rating Reasons***

Subject to Conditions 3(d), 6(b) and 6(j), if "Ratings Methodology Call" is specified as being applicable hereon and a Ratings Methodology Event has occurred and is continuing, or the Issuer satisfies the Trustee that, as a result of any change in, or amendment to, or any change in the application of, any applicable methodology of the Rating Agency, a Ratings Methodology Event will occur within a period of six months, then the Issuer may at its option, having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 16, the Trustee, the Issuing and Paying Agent and the Registrar, which notice shall specify the date set for redemption and shall (subject as aforesaid) be irrevocable, either:

- (i) redeem all (but not some only) of the Notes, at any time or, if and for so long as the Note is a Floating Rate Note, on any Interest Payment Date, at their Special Redemption Price (which, unless otherwise specified hereon, shall be their principal amount), together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) substitute at any time all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain Rating Agency Compliant Securities, and the Trustee shall (subject to the receipt by it of the certificates of the Directors referred to in Condition 6(j)(i) below and in the definition of "Rating Agency Compliant Securities") agree to such substitution or variation,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Ratings Methodology Event.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(g) *Redemption at the Option of the Issuer (Clean-up Call Option)*

This Condition 6(g) applies if "Clean-up Call Option" is specified hereon.

Subject to Conditions 3(d), 6(b) and 6(j), if 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 will be deemed to have been originally issued) has been redeemed and/or purchased and cancelled, then the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 15 nor more than 60 days' notice to the Trustee, the Issuing and Paying Agent, the Registrar and, in accordance with Condition 16, the Noteholders (which notice shall, subject as aforesaid, be irrevocable) redeem all (but not some only) of the Notes, at any time, at their Optional Redemption Amount together with any accrued and unpaid interest to (but excluding) the date of redemption.

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

If more than one notice of redemption is given pursuant to this Condition 6, the first of such notices to be given shall prevail.

(h) *Purchases*

Subject to Conditions 3(d), 6(b) and 6(j), the Issuer and any of the Issuer's Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in any manner and at any price.

(i) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any Subsidiary of the Issuer may be held, reissued, resold or 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 redeemed or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes and Coupons shall be discharged.

(j) *Pre-conditions to Redemption, Substitution, Variation or Purchase*

- (i) Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 6(d), 6(e), 6(f) or 6(g), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that:
- (A) a Tax Event will have occurred and be continuing on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (B) a Capital Disqualification Event has occurred and is continuing as at the date of the certificate; or
 - (C) a Ratings Methodology Event has occurred and is continuing as at the date of the certificate; or
 - (D) 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 will be

deemed to have been originally issued) have been redeemed and/or purchased and cancelled as at the date of the certificate.

In the case of (A) above, the Issuer shall also deliver to the Trustee an opinion from a nationally recognised law firm or other tax adviser in a Relevant Jurisdiction experienced in such matters to the effect that the relevant Tax Event will have occurred and be continuing on the next Interest Payment Date.

The Trustee shall be entitled to accept such certificate and (in the case of (A) above) opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Issuer, the Trustee, the Noteholders, the Couponholders and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate and (in the case of (A) above) opinion without liability to any person and without any obligation to verify or investigate the accuracy thereof.

- (ii) The Issuer may not redeem, purchase, substitute or vary any Notes pursuant to this Condition 6 unless the following conditions are satisfied:
 - (A) the Issuer and the Insurance Group being in continued compliance with the Regulatory Capital Requirements (if any) applicable to them;
 - (B) the Issuer having complied with the Regulatory Clearance Condition;
 - (C) (to the extent then required under the Relevant Rules or by the PRA) in the case of any redemption or purchase of the Notes prior to the Capital Replacement End Date (being the fifth anniversary of the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series or, in either case, such later date otherwise specified hereon), either
 1. in the case of any redemption pursuant to Condition 6(d) or 6(e), the PRA being satisfied that the Solvency Capital Requirement will be exceeded by an appropriate margin immediately after such redemption or purchase (taking into account the solvency position of the Issuer and the Insurance Group, including by reference to the Issuer's and the Insurance Group's medium-term capital management plans); or
 2. in the case of any redemption or purchase, such redemption or purchase being funded (to the extent then required by the PRA pursuant to the Relevant Rules) out of the proceeds of a new issuance of or the Notes being exchanged into, own funds of the same or higher quality than the Notes (being capital with the necessary features of Tier 2 Capital) or a better quality form of regulatory capital and being otherwise permitted under the Relevant Rules;
 - (D) (to the extent then required under the Relevant Rules or by the PRA) in the case of any redemption or purchase of the Notes prior to the Capital Replacement End Date (being the fifth anniversary of the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series or, in either case, such later date otherwise specified hereon)

1. in the case of any such redemption following the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the PRA that the applicable change in tax treatment is material; or
2. in the case of any such redemption following the occurrence of a Capital Disqualification Event, the PRA considering that the relevant change in the regulatory classification of the Notes is sufficiently certain; and
3. in either case, the Issuer having demonstrated to the satisfaction of the PRA that such change was not reasonably foreseeable as at the Issue Date (or, if any further tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last tranche of the Notes); and

(E) compliance with any other applicable requirements of the Relevant Rules regarding redemption, purchase, substitution or variation (as the case may be) of the Notes.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Relevant Rules permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6(j), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

The Trustee shall be entitled to accept a certificate from any two Directors of the Issuer to the Trustee confirming whether or not any such compliance is required by the Relevant Rules and, if so, confirming compliance with the relevant requirements shall if so accepted by the Trustee be conclusive and binding on the Issuer, the Noteholders, the Couponholders and all other interested parties. The Trustee shall be entitled to accept such certificate as sufficient evidence of such compliance and shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(k) *Trustee role on redemption, variation or substitution; Trustee not obliged to monitor*

- (i) Subject to Condition 6(j), the Trustee shall (at the expense of the Issuer) use its reasonable endeavours to co-operate with the Issuer (including, but not limited to, entering into such documents or deeds as may be necessary) to give effect to the substitution or variation of the Notes for or into Qualifying Securities or Rating Agency Compliant Securities (as applicable) pursuant to this Condition 6, provided that the Trustee shall not be obliged to co-operate in any such substitution or variation if the securities resulting from such substitution or variation, or the co-operation in such substitution or variation, imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to liabilities or reduces its protections, in each case as compared with the corresponding obligations, liabilities or, as appropriate, protections under the Notes. If the Trustee does not so co-operate as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in this Condition 6.
- (ii) The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 6 and will not be responsible to Noteholders or the Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has express notice pursuant to these Conditions or the Trust Deed of the occurrence of any event or circumstance to which this Condition 6 relates, it shall be entitled to assume that no such event or circumstance exists or has arisen.

(l) *Compliance with stock exchange rules*

In connection with any substitution or variation of the Notes in accordance with this Condition 6, the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

7 *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 (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the U.S. by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(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 Condition 7(b)(ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register (i) where all or any of the Registered Notes are represented by a Global Certificate, at the close of the business day (being for this purpose a day on which Euroclear and/or Clearstream, Luxembourg, as applicable, are open for business) before the due date for payment thereof, and (ii) where none of the Registered Notes is represented by a Global Certificate 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 and to the holder (or to the first named of joint holders) of such Note by transfer to an account in the relevant currency maintained by the payee with a bank.

(c) *Payments in the U.S.*

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 U.S. 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 U.S. law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments subject to Fiscal Laws*

Without prejudice to the provisions of Condition 8, payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by or pursuant to such laws and regulations.

(e) ***Appointment of Agents***

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer (for all purposes other than ISDA Determination for Floating Rate Notes, where the Calculation Agent will be specified in the Final Terms or Pricing Supplement, as applicable) and their respective specified offices are listed above. Subject as provided in the Agency Agreement, the Issuing and Paying Agent, the 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 prior written 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, Calculation 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, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) a Paying Agent.

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 Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified hereon.

(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, Optional Redemption Amount or Special Redemption Price as the case may be and as may be provided for hereon, 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 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Fixed to Floating Rate Note, a Fixed Rate Reset Note or 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 relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, 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 (if one is specified hereon) 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 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 9).

(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 paragraph, "**Business Day**" means a day (other than a Saturday or a Sunday) on which 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" hereon 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 T2 Business Day.

8 Taxation

All payments of principal, interest and Arrears of Interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts in relation to interest and Arrears of Interest (but not principal) as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them in respect of payments of interest and Arrears of Interest had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) **Other connection:** presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with a Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) **Lawful avoidance of withholding:** presented for payment by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or

procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment; or

- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day after the Relevant Date; or
- (d) **Any combination:** where such withholding or deduction arises out of any combination of paragraphs (a) to (c) above.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amount, Optional Redemption Amount or Special Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 6 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 5 or any amendment or supplement to it and any additional amounts that may be payable under this Condition 8 or under any undertakings given in addition to, or in substitution for, it pursuant to the Trust Deed ("**Additional Amounts**").

Notwithstanding any other provision of these Conditions, 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.

9 Prescription

Claims against the Issuer for payment in respect of principal, interest and Arrears of Interest payable on the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest or Arrears of Interest) from the appropriate Relevant Date in respect of them.

10 Enforcement

(a) *Rights to institute and/or prove in a winding-up*

Unless an Issuer Winding-Up has occurred, no amount shall be due from the Issuer in those circumstances where payment of such amount could not be made in compliance with the Solvency Condition or is deferred in accordance with Condition 5(a) (if applicable), 5(b), 6(b) or 6(j).

If default is made by the Issuer for a period of 14 days or more in the payment of any amount due in respect of the Notes or any of them, subject to Conditions 3(d), 5(a) (if applicable), 5(b), 6(b) or 6(j), the Trustee at its discretion may, and if so requested by Noteholders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for the winding-up of the Issuer.

In the event of an Issuer Winding-Up (whether or not instituted by the Trustee pursuant to the foregoing), the Trustee in its discretion may, and if so requested by Noteholders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction), prove and/or claim in such Issuer Winding-Up, such claim being for the Final Redemption Amount, together with any Arrears of Interest and any other unpaid interest, with such claim subordinated as contemplated in Condition 3(b) but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes, the Coupons or the Trust Deed.

(b) *Enforcement*

Without prejudice to Condition 10(a), the Trustee may at its discretion and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons (other than any payment obligation of the Issuer under or arising from the Notes, the Coupons or the Trust Deed, including any payment of damages awarded for breach of any obligations thereunder) but in no event shall the Issuer, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. Nothing in this Condition 10(b) shall, however, prevent the Trustee, the Noteholders or the Couponholders from pursuing the remedies to which they are entitled pursuant to Condition 10(a).

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 10(a) or 10(b) above against the Issuer to enforce the terms of the Trust Deed, the Notes or the Coupons or any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one fifth in principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(d) *Right of Noteholders and Couponholders*

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholders and the Couponholders shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 10.

(e) *Extent of Noteholders and Couponholders' remedies*

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Trustee, the Noteholders or the Couponholders, whether for the recovery of amounts owing in respect

of the Notes, the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or the Coupons or under the Trust Deed.

Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders (including by way of conference call or videoconference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Trust Deed) of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Trustee or Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Noteholders whatever the principal amount of the Notes held or represented, except that, at any meeting the business of which falls within the proviso to paragraph 2 of Schedule 3 to the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. 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.

The Trust Deed also provides that a written resolution executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding or consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of holders of not less than 75 per cent. in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present shall take effect as if it were an Extraordinary Resolution. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The agreement or approval of the Noteholders shall not be required in the case of (i) the implementation of any Benchmark Amendments described in Condition 4(l)(iv), (ii) the implementation of any Benchmark Replacement Conforming Changes described in Condition 4(l)(v) or (iii) any variation of these Conditions and/or the Trust Deed required to be made in connection with the substitution or variation of the Notes pursuant to Condition 6(d), 6(e) or 6(f) or (iv) any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or as reasonably required by the Issuer pursuant to Condition 12(a).

(b) Modification of the Trust Deed

In addition to the requirements of Conditions 6(d), 6(e), 6(f) and 12, the Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed: (i) which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) which, in its opinion, is of a formal, minor or technical nature or to correct a

manifest error. For the avoidance of doubt, such power shall not extend to any such modification as mentioned in the proviso to paragraph 2 of Schedule 3 to the Trust Deed unless required for the substitution or variation of the Notes pursuant to Condition 6(d), 6(e), 6(f) or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or as reasonably required by the Issuer pursuant to Condition 12(a).

The agreement or approval of the Noteholders shall not be required in the case of any Benchmark Amendments or Benchmark Replacement Conforming Changes required by the Issuer pursuant to Condition 4(l).

(c) *Trustee to have regard to interests of Noteholders as a class*

Subject as provided below, in connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution of obligor), the Trustee shall have regard to the general interests of the Noteholders and Couponholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed. In connection with any substitution pursuant to Condition 12(a)(ii), the Trustee shall have regard only to the matters expressly specified in Condition 12(a)(ii).

(d) *Notification to the Noteholders*

Any modification, abrogation, waiver, authorisation, determination or substitution pursuant to this Condition 11 shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16.

(e) *Notice to the PRA*

No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have first satisfied the Regulatory Clearance Condition.

12 Substitution

(a) *Substitution*

(i) *Discretion to agree to substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to (a) such substitution not being, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, (b) certain additional conditions set out in the Trust Deed being satisfied (including no negative rating event with respect to the Notes) and (c) such amendment of these Conditions, the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders:

- (A) to the substitution of a successor in business of the Issuer in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes; or
- (B) to the substitution of the Insurance Group Parent Entity in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes; or
- (C) (subject to the Notes being unconditionally and irrevocably guaranteed on a subordinated basis by the Issuer), to the substitution of a Subsidiary or parent company of the Issuer or its successor in business in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes.

(ii) *Requirement to agree to an Insurance Group Parent Entity Automatic Substitution*

The Trust Deed further provides that, if requested by the Issuer in respect of any Notes where Insurance Group Parent Entity Automatic Substitution is specified hereon as applicable and if the Issuer ceases, has ceased or, on the date of the substitution, will cease to be the Insurance Group Parent Entity for any reason (including, without limitation, as a result of, or in connection with, any transaction instigated by the Issuer or any of its shareholders or Subsidiaries or to which the Issuer or any of its shareholders or Subsidiaries is a party), the Trustee shall promptly agree, without the consent of the Noteholders or Couponholders, to the substitution of the Insurance Group Parent Entity in place of the Issuer or any previous substitute under this Condition 12 as principal debtor under the Trust Deed and the Notes and to the making of any consequential amendments to the Trust Deed and the Notes which the Issuer may reasonably require in connection therewith, without the requirement to satisfy any conditions other than the conditions which are expressly specified in the Trust Deed, which include:

- (A) the Notes being rated (at the request of the Issuer) by at least one of Moody's Investors Service Ltd. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings Ltd. or by any of their respective successors or affiliates immediately prior to the substitution and the Issuer certifying to the Trustee that:
 - (i) the Notes will, immediately following the substitution, continue to be rated (at the request of the Issuer) by at least one of such rating agencies; and
 - (ii) no such rating agency has announced (or confirmed in writing to the Issuer) that it has downgraded (or will downgrade), or that it has placed (or will place) on review with negative implications, the rating assigned (at the request of the Issuer) to the Notes where the substitution (or potential substitution pursuant to this Condition 12) has been cited in such announcement or confirmation in writing as a reason for such downgrade or placing on review;
- (B) the Issuer having complied with the Regulatory Clearance Condition, the Notes being eligible to count as Tier 2 Capital of the Insurance Group immediately following the substitution, the principal amount of the Notes which is available to count as Tier 2 Capital of the Insurance Group immediately following the substitution being no less than the principal amount of the Notes which is available to count as Tier 2 Capital of the Insurance Group immediately prior to the substitution, and the Issuer not being in default in respect of any of its payment obligations under these Conditions;

- (C) the Notes being (or continuing to be): (i) listed on a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act 2007 or (ii) admitted to trading on a "multilateral trading facility" operated by an "EEA regulated recognised stock exchange" (within the meaning of section 987 of the Income Tax Act 2007), immediately following the substitution; and
- (D) the substitution not causing a Capital Disqualification Event, a Ratings Methodology Event or a Tax Event to occur in respect of the Notes immediately following the substitution.

The Trustee shall be required to accept a certificate from any two Directors of the Issuer to the Trustee confirming that the conditions to such a substitution are satisfied and the Trustee shall be entitled to rely absolutely on such a certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

For the avoidance of doubt, the substitution provisions described in this Condition 12(a)(ii) are separate from, and in addition to, the substitution provisions described in Condition 12(a)(i) above. Accordingly, the Issuer may, at its sole and absolute discretion, elect to request the substitution of the Insurance Group Parent Entity pursuant to the provisions described in this Condition 12(a)(ii) instead of pursuant to the provisions described in Condition 12(a)(i), or vice versa.

Any substitute pursuant to this Condition 12 is referred to in these Conditions as a "**Substituted Obligor**". On completion of any substitution pursuant to this Condition 12, all references in these Conditions to "the Issuer" shall be construed as references to the Substituted Obligor.

Any substitution pursuant to this Condition 12 shall be subject to the Issuer having complied with the Regulatory Clearance Condition and any substitution pursuant to this Condition 12 which occurs prior to the fifth anniversary of the Issue Date or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, the issue date of the last Tranche of the relevant Series, shall also be subject to the Issuer having complied with Condition 6(j)(ii)(C)(2).

(b) *Change of law*

In the case of any substitution pursuant to this Condition 12, the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed, provided that such change or the substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(c) *Notice to Noteholders*

The Issuer will give notice of any substitution pursuant to this Condition 12 to Noteholders in accordance with Condition 16 as soon as reasonably practicable following such substitution.

13 Indemnification of the Trustee and its Contracting with the Issuer

(a) *Indemnification and protection of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is

satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

(b) *Trustee contracting with the Issuer*

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

(c) *Reports and certificates*

The Trust Deed provides that the Trustee may rely and act upon the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant (including the auditors of the Issuer), surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee may also rely and act upon certificates and/or information addressed to it from, or delivered by, the Issuer, any Substituted Obligor or any one or more Directors of the Issuer or any Substituted Obligor or any of their respective auditors, liquidators, administrators or other insolvency officials. The Trustee will not be responsible to anyone for any liability occasioned by so relying and acting. Any such advice, opinion, information or certificate may be sent or obtained by letter, email, electronic communication or fax and the Trustee shall not be liable for acting in good faith on any advice, opinion, information or certificate purporting to be conveyed by such means even if it contains an error or is not authentic.

14 Replacement of Notes, Certificates, Coupons and Talons

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 Paying Agent or Transfer Agent. as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs 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 Notes, Certificates, Coupons 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.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any Series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Issue Date shall be to the Issue Date of the first Tranche of Notes of any Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any Series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other Series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to be given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed. 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 Europe. 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 publication is made, as provided above. The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

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 16.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes).

17 Contracts (Rights of Third Parties) Act 1999

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

18 Definitions

As used herein:

"**2025 Notes**" has the meaning given to it in Condition 3(b);

"**Additional Amount**" has the meaning given to it in Condition 8;

"**Additional Financial Centres**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Agency Agreement**" has the meaning given in the preamble to these Conditions;

"**Arrears of Interest**" has the meaning given to it in Condition 5(c);

"**Assets**" means the unconsolidated gross assets of the Issuer as shown in the latest published audited balance sheet of the Issuer but adjusted for contingencies and subsequent events, all in such manner as the Directors may determine;

"**Bearer Notes**" has the meaning given to it in Condition 1;

"**Calculation Agent(s)**" has the meaning given in the preamble to the Conditions or, in the case of Condition 4(c)(iii)(A), as defined therein;

"**Call Option**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

a "**Capital Disqualification Event**" shall be deemed to have occurred if, at any time, as a result of any change to the Relevant Rules (or change to the interpretation of the Relevant Rules by any court or authority entitled to do so) the whole or any part of the principal amount of the Notes is no longer capable of counting as Tier 2 Capital for the purposes of (i) the Issuer on a solo, group or consolidated basis or (ii) the Insurance Group on a group or consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital (other than a limitation derived from any transitional or grandfathering provisions under the Relevant Rules);

"**Capital Replacement End Date**" has the meaning given to it in the Final Terms or Pricing Supplement;

"**Certificates**" has the meaning given in Condition 1;

"**Compulsory Interest Payment Date**" means any Interest Payment Date (i) in respect of which during the immediately preceding six month period a Compulsory Interest Payment Event has occurred; (ii) on which the relevant interest payment can be made in compliance with the Solvency Condition; and (iii) which is not a Regulatory Deficiency Interest Deferral Date;

"**Compulsory Interest Payment Event**" means:

- (a) any declaration, payment or making of a dividend or distribution by the Issuer to its ordinary shareholders; or
- (b) any declaration, payment or making of a dividend, distribution or coupon on any other Junior Obligations of the Issuer, except where such dividend, distribution or coupon was required to be declared, paid or made under, or in accordance with, their terms; or
- (c) any repurchase by the Issuer of any of its ordinary shares for cash, provided such repurchase is not made in the ordinary course of business of the Issuer in connection with any share option scheme or share ownership scheme for management or employees of the Issuer or management or employees of affiliates of the Issuer; or
- (d) any redemption or purchase by the Issuer or any Subsidiary of the Issuer of any other Junior Obligations of the Issuer for cash, except (i) a redemption required to be effected under, or in accordance with, their terms and/or (ii) any purchase by a Subsidiary of the Issuer where neither the Issuer nor the Insurance Group Parent Entity has operational control over the investment activities thereof and where such purchase is not made at the direction of, or for the benefit of, the Issuer;

"**Couponholders**" has the meaning given in the preamble to these Conditions;

"**Coupons**" has the meaning given in the preamble to these Conditions;

"**Directors**" means the directors of the Issuer or a Substituted Obligor (as the case may be) from time to time;

"**European Economic Area**" or "**EEA**" means the countries comprising the European Union together with Norway, Liechtenstein and Iceland;

"**EUWA**" means the European Union (Withdrawal) Act 2018;

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

"**Final Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

In setting the Final Redemption Amount the Issuer shall have consideration to the limitations set out in any Relevant Rules.

"**Group Insurance Undertaking**" means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Insurance Group pursuant to the Relevant Rules;

"**Holder**" has the meaning given to it in Condition 1;

"**Insolvent Insurer Winding-up**" means:

- (a) the winding-up of any Group Insurance Undertaking; or
- (b) the appointment of an administrator of any Group Insurance Undertaking,

in each case where the Issuer has determined, acting reasonably, that all Policyholder Claims of the policyholders or beneficiaries under contracts of insurance of that Group Insurance Undertaking may or will not be met in full;

"**Insurance Group**" means the Insurance Group Parent Entity and its Subsidiaries;

"**Insurance Group Parent Entity**" means the Issuer or any Subsidiary or parent company of the Issuer which from time to time constitutes the highest entity in the relevant insurance group or other financial group for which supervision of group capital resources or solvency is required (whether or not such requirement is waived in accordance with the Relevant Rules) pursuant to the Regulatory Capital Requirements in force from time to time;

As at the date of this Prospectus, the Insurance Group Parent Entity is the Issuer.

"**insurance undertaking**" has the meaning given to it in the Solvency II Directive;

"**Interest Basis**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Interest Commencement Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Issue Date**" has the meaning given in the preamble of these Conditions;

"**Issuer**" has the meaning given in the preamble to these Conditions;

"**Issuer Winding-Up**" has the meaning given in Condition 3(b);

"**Issuing and Paying Agent**" has the meaning given in the preamble to these Conditions;

"**Junior Obligations of the Issuer**" has the applicable meaning given in Condition 3(b);

"**Level 2 Regulations**" means the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of the European Union

on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019;

"**Liabilities**" means the unconsolidated gross liabilities of the Issuer as shown in the latest published audited balance sheet of the Issuer but adjusted for contingent liabilities and for subsequent events, all in such manner as the Directors of the Issuer may determine;

"**London Stock Exchange**" means the London Stock Exchange plc;

"**Maturity Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement (such date being specified as being no earlier than the tenth anniversary of the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, no earlier than the tenth anniversary of the Issue Date of the latest such Tranche to be issued));

"**Maximum Rate of Interest**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Minimum Capital Requirement**" means the Minimum Capital Requirement, the minimum consolidated group Solvency Capital Requirement or other minimum capital requirements (as applicable) referred to in Solvency II or the Relevant Rules;

"**Minimum Rate of Interest**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Noteholder**" has the meaning given to it in Condition 1;

"**Optional Interest Payment Date**" means any Interest Payment Date other than a Compulsory Interest Payment Date or a Regulatory Deficiency Interest Deferral Date;

"**Optional Redemption Amount**" has the meaning given to it in the relevant Final Terms or Pricing Supplement (such Optional Redemption Amount being an amount per Note at least equal to the principal amount of the relevant Note);

"**Optional Redemption Date**" has the meaning given to it in the relevant Final Terms or Pricing Supplement (such Optional Redemption Date being at least five years after the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes, at least five years after the Issue Date of the latest such Tranche to be issued));

"**Parity Creditors of the Issuer**" means the creditors of the Issuer whose claims rank, or are expressed to rank, *pari passu* with the claims of the Noteholders including holders of Parity Obligations of the Issuer;

"**Parity Obligations of the Issuer**" has the meaning given in Condition 3(b);

"**Paying Agents**" has the meaning given in the preamble to these Conditions;

"**Policyholder Claims**" means claims of policyholders or beneficiaries under contracts of insurance in a winding-up, liquidation or administration of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up or administration of insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have;

"**PRA**" means the Bank of England acting as the UK Prudential Regulation Authority through its Prudential Regulation Committee or such successor or other authority having primary supervisory authority with respect to prudential matters in relation to the Issuer, the Insurance Group and/or the Insurance Group Parent Entity;

"**Proceedings**" has the meaning given to it in Condition 19(b);

"Qualifying Securities" means securities issued by the Issuer or another entity and guaranteed by the Issuer that:

- (a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing or independent financial adviser of international standing, and provided that a certification to such effect (including as to the consultation with the independent investment bank or independent financial adviser and in respect of the matters specified in (b) below) signed by two Directors of the Issuer shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof) prior to the issue of the relevant securities);
- (b) (subject to (a) above) shall (1) contain terms which are intended to match the then current requirements of the Relevant Rules in relation to Tier 2 Capital insofar as practicable; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same Interest Payment Dates; (3) rank or, if issued by another entity, benefit from a guarantee of the Issuer which ranks, at least *pari passu* with the ranking of the Notes; (4) preserve the obligations of (including obligations arising from the exercise of any rights of) the Issuer as to redemption of the Notes, including as to the timing of, and amounts payable upon redemption of the Notes and provided that such Qualifying Securities may not be redeemed by the Issuer prior to the Maturity Date except in circumstances analogous to those referred to in Condition 6(c), 6(d), 6(e), 6(f) and/or 6(g) of the Notes; (5) preserve any existing rights under these Conditions to any accrued interest, any Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders but not been paid; and (6) do not include any principal loss absorption provisions, including any provisions which require the write off or write down in whole or in part of the principal amount of such securities or the conversion of such securities in whole or in part into equity; and
- (c) are listed or admitted to trading on the London Stock Exchange's regulated market (for the purposes of Directive 2014/65/EU as it forms part of domestic law by virtue of the EUWA) or such other regularly operating, internationally recognised stock exchange in the UK or the EEA as selected by the Issuer and approved by the Trustee;

"Rating Agency" means Fitch Ratings Limited or any affiliate of or successor thereto;

"Rating Agency Compliant Securities" means securities which are (i) Qualifying Securities and (ii) assigned substantially the same "equity credit" (or such other nomenclature as may be used by the Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) or, at the absolute discretion of the Issuer, a lower "equity credit" (provided such "equity credit" is still higher than the "equity credit" assigned to the Notes immediately after the occurrence of the Ratings Methodology Event) as that which was assigned by the Rating Agency or its predecessor to the Notes on or around the Issue Date or (if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes and the "equity credit" assigned by the Rating Agency on the issue date of such Tranche is lower than the "equity credit" assigned to the Notes on or around the Issue Date) the issue date of the last Tranche of the relevant Series and provided that a certification to such effect signed by two Directors of the Issuer shall have been delivered to the Trustee prior to the issue of the relevant securities (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof);

"Ratings Methodology Call" has the meaning given to it in Condition 6(f);

a "**Ratings Methodology Event**" will be deemed to occur if at any time there occurs a change in (or clarification to) the methodology of the Rating Agency (or in the interpretation of such methodology) as a result of which the "equity credit" (or such other nomenclature as may be used by the Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) assigned by the Rating Agency to the Notes is, as notified by the Rating Agency to the Issuer or as published by the Rating Agency, reduced when compared to the "equity credit" assigned by the Rating Agency or its predecessor to the Notes on or around the Issue Date or (if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 15 and consolidated to form a single series with the Notes and the "equity credit" assigned by the Rating Agency on the issue date of such Tranche is lower than the "equity credit" assigned to the Notes on or around the Issue Date) the issue date of the last Tranche of the relevant Series;

"**Record Date**" has the meaning given to it in Condition 7(b);

"**Register**" has the meaning given in Condition 1;

"**Registered Notes**" has the meaning given to it in Condition 1;

"**Registrar**" has the meaning given in the preamble to these Conditions;

"**Regulatory Capital Requirements**" means any applicable capital resources requirement or applicable overall financial adequacy rule required by the PRA pursuant to the Relevant Rules, as such requirements or rules are in force from time to time;

"**Regulatory Clearance Condition**" means, in respect of any proposed act on the part of the Issuer, the PRA having approved, granted permission for, consented to, or provided a non-objection to and having not withdrawn its approval, permission or consent to, such act (in any case only if and to the extent such approval, permission, consent or non-objection is required by the PRA, the Relevant Rules or any other applicable rules of the PRA at the relevant time);

"**Regulatory Deficiency Interest Deferral Date**" means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date;

"**Regulatory Deficiency Interest Deferral Event**" means:

- (a) any event (including, without limitation, any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Issuer, the Insurance Group Parent Entity or the Insurance Group to be breached and such breach is an event) which under the Relevant Rules means that the Issuer must defer payment of interest (or, if applicable, Arrears of Interest) in respect of the Notes (in order that the Notes are, and/or on the basis that the Notes are intended to be, both eligible and available as Tier 2 Capital of the Issuer and the Insurance Group); or
- (b) the PRA having notified the Issuer in writing that, in circumstances in which it is permitted to do so pursuant to and in accordance with the Relevant Rules, it has determined that the Issuer must defer a payment of interest (or, if applicable, Arrears of Interest) under the Notes and the PRA not having revoked such notification;

"**Regulatory Deficiency Redemption Deferral Event**" means:

- (a) any event (including, without limitation, where an Insolvent Insurer Winding-up has occurred and is continuing or any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Issuer, the Insurance Group Parent Entity or the Insurance Group to be breached and such Insolvent Insurer Winding-up or, as the case may be, such breach is an event) which

under the Relevant Rules means that the Issuer must defer or suspend redemption of the Notes (in order that the Notes are, and/or on the basis that the Notes are intended to be, both eligible and available as Tier 2 Capital of the Issuer and the Insurance Group); or

- (b) the PRA having notified the Issuer in writing that, in circumstances in which it is permitted to do so pursuant to and in accordance with the Relevant Rules, it has determined that the Issuer must defer making a payment of principal under the Notes and the PRA not having revoked such notification;

"Relevant Date" has the meaning given in Condition 8;

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

"Relevant Rules" means, at any time, any legislation, rules, regulations or published regulatory expectations (whether having the force of law or otherwise) then applying to the Issuer, the Insurance Group Parent Entity or the Insurance Group relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and without limitation to the foregoing, includes (to the extent then applying as aforesaid) Solvency II, any legislation, rules, regulations or published regulatory expectations implementing Solvency II and any legislation, rules or regulations of the PRA relating to such matters; and references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Relevant Rules shall be construed in the context of the Relevant Rules as they apply to Tier 2 Capital;

"Senior Creditors of the Issuer" means:

- (a) in the case of dated Notes, being Notes with a Maturity Date stated hereon:
 - (i) policyholders of the Issuer (if any), beneficiaries under contracts of insurance of the Issuer (if any) and any other creditors of the Issuer who are unsubordinated creditors of the Issuer; and
 - (ii) other creditors of the Issuer whose claims are, or are expressed to be, subordinated to the claims of other creditors of the Issuer but not further or otherwise (other than those whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, any claims of the Noteholders under the Notes and the Trust Deed including (without limitation) holders of Parity Obligations of the Issuer and/or Junior Obligations of the Issuer); and
- (b) in the case of perpetual Notes, being Notes without a Maturity Date stated hereon:
 - (i) policyholders of the Issuer (if any), beneficiaries under contracts of insurance of the Issuer (if any) and any other creditors of the Issuer who are unsubordinated creditors of the Issuer;
 - (ii) other creditors of the Issuer whose claims are, or are expressed to be, subordinated to the claims of other creditors of the Issuer but not further or otherwise (other than those whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, any claims of the Noteholders under the Notes and the Trust Deed including (without limitation) holders of Parity Obligations of the Issuer and/or Junior Obligations of the Issuer); and
 - (iii) (unless and until the Undated Notes Parity Election is made) holders of dated subordinated obligations of the Issuer (including, without limitation and for so long as any of the same shall remain outstanding, the Issuer's obligations pursuant to its 2025 Notes);

"Series" has the meaning given in the preamble to these Conditions;

"**Solvency II**" means the United Kingdom transposition of the Solvency II Directive and the Level 2 Regulations, as they each form part of retained EU law (as defined in the EUWA), as amended from time to time and any additional measures adopted to give effect thereto (whether implemented by way of regulation, guidelines or otherwise);

"**Solvency II Directive**" means Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

"**Solvency Capital Requirement**" means the solvency capital requirement or the group solvency capital requirement referred to in Solvency II (howsoever described or defined in Solvency II) or any other solvency capital requirement, group solvency capital requirement or any other equivalent capital requirement (other than the Minimum Capital Requirement) howsoever described in the Relevant Rules;

"**Solvency Condition**" has the meaning given in Condition 3(d);

"**Special Redemption Price**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Specified Denomination**" has the meaning given to it in the relevant Final Terms or Pricing Supplement;

"**Subsidiary**" has the meaning given to it under Section 1159 of the Companies Act 2006 (as amended from time to time);

"**Substituted Obligor**" has the meaning given to it in Condition 12(a);

"**successor in business**" has the meaning given in the Trust Deed;

"**Tax Event**" has the meaning given to it in Condition 6(d)(i);

"**Tier 1 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules);

"**Tier 2 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules);

"**Tranche**" has the meaning given in the preamble to these Conditions;

"**Transfer Agents**" has the meaning given in the preamble to these Conditions;

"**Trust Deed**" has the meaning given in the preamble to these Conditions;

"**Trustee**" has the meaning given in the preamble to these Conditions;

"**Undated Notes Parity Election**" has the meaning given to it in Condition 3(b); and

"**United Kingdom**" or "**UK**" means the United Kingdom of Great Britain and Northern Ireland.

19 Governing Law and Jurisdiction

(a) Governing law

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

(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 ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England in respect of any such Proceedings (but this is without prejudice to the rights of the Trustee or the Noteholders to commence Proceedings in any jurisdiction and/or concurrent Proceedings in one or more jurisdictions to the extent permitted by law).

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

If the Global Notes in respect of any series of Senior Notes in bearer form are stated in the relevant Final Terms or Pricing Supplement to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. If the Global Certificates in respect of any series of Senior Notes in registered form are stated in the relevant Final Terms or Pricing Supplement to be issued in NSS form, the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Where the Global Notes issued in respect of any Tranche are in NGN form or are held in NSS form, Euroclear and Clearstream, Luxembourg will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or Global Certificates (as the case may be) with the Common Safekeeper does not necessarily mean that the relevant Senior 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 Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary (other than Global Certificates in NSS form, which shall be delivered to a Common Safekeeper).

If the Global Note is in CGN form, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of any common nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depositary, 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 in NGN form, 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 Depositary 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.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be). Such persons 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 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.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) if the relevant Final Terms or Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Subscription and Sale*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

If the temporary Global Note is exchangeable for Definitive Notes at the option of the holder and the relevant clearing system(s) so permit, the Notes shall be tradeable only in amounts of at least the Specified Denomination specified in the Final Terms or Pricing Supplement (such as €100,000 (or its equivalent in another currency)) plus one or more higher integral multiples of another smaller amount (such as €1,000 (or its equivalent in another currency)).

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 in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (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 permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

Permanent Global Certificates

If the Final Terms or Pricing Supplement state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(a) of the relevant Notes may only be made in part:

- (a) if the relevant 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 permanently to cease business or does in fact do so; or
- (b) with the consent of the Issuer,

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

Delivery of Notes

If the Global Note is in CGN form, 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 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 if the Global Note is in NGN form, 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 all Coupons in respect of interest that has not already been paid on the Global Note and 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.

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 failure to pay principal in respect of any Notes when due 30 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.

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 terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

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 will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. 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. Conditions 6(f)(v) and 6(g) (in the case of the Senior Notes) and Conditions 7(f)(v) and 7(g) (in the case of the Tier 2 and Tier 3 Notes) will apply to the Definitive Notes only. If the Global Note is in NGN form, 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 will be reduced accordingly. Payments under the 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) (in the case of the Senior Notes) and Condition 7(h) (in the case of the Tier 2 and Tier 3 Notes).

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 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.

All payments of interest in respect of a series of Notes represented by a Global Note or Global Certificate shall be calculated in respect of the total aggregate amount of the Notes represented by the relevant Global Note or Global Certificate.

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 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 of the relevant Notes).

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Cancellation

Cancellation of any Note represented by a permanent 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 permanent Global Note.

Purchase

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

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 serial 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 with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, 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 clearing system (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Senior Notes while such Senior 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 within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Senior Notes in respect of which the option has been exercised, and stating the nominal amount of Senior 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 in NGN form, 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.

NGN nominal amount

Where the Global Note is in NGN form, 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 Senior Notes represented by such Global Note shall be adjusted accordingly.

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 or any common nominee, as the case may be, 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 and, in the case of Registered Notes only, the Trustee may have regard to any other letter of confirmation, form of record, information and/or certification as the Trustee shall, in its absolute discretion, think fit as evidence that at any particular time or throughout any particular period any particular person should be regarded as having an interest in a particular nominal amount of Registered Notes and if the Trustee does so rely on such evidence, such letter of confirmation, form of record, information and/or certification shall be conclusive and binding on all concerned.

Notices

So long as any Notes are represented by a Global Note and such Global Note 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 entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

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:

- (a) 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 75 per cent. in nominal amount of the Notes outstanding (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 was 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

- (b) 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 (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. 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. 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. Neither the Issuer nor the Trustee shall 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 the issue of the Notes will be used to fund the general commercial activities of the Group.

INFORMATION ON THE GROUP

Business overview

Phoenix is the UK's largest long-term savings and retirement business (source: Group Analysis October 2021, based on life technical provisions) with circa 12 million customers, £259 billion of assets under administration and Solvency II Own Funds of £11.1 billion as at 31 December 2022.

The Group is a constituent of the FTSE 100 and offers a broad range of products to support people across all stages of the savings life cycle.

Phoenix has businesses in the UK, Germany and Ireland split across two key business divisions: Heritage and Open.

The Heritage business, where Phoenix is the market-leader, is focused on the safe and efficient management of insurance policies. It comprises products that are no longer actively marketed to new customers and where the Group has stepped in as the custodian of these policies. The Group has built this business through the consolidation of over 100 legacy insurance brands and has a proven track record of improving customer outcomes.

Phoenix's Open business operates products that are actively marketed to new and existing customers. The Open business spans four separate business units comprising the Retirement Solutions, and Pensions and Savings units, all of which operate under the Standard Life brand, as well as the over-50s brand "SunLife" and the European business operating in Ireland and Germany. Phoenix is a growing and sustainable business with a clear purpose – helping people secure a life of possibilities.

History

Phoenix Group Holdings ("**PGH Cayman**"), previously named Liberty International Acquisition Company, then Liberty Acquisition Holdings (International) Company and then Pearl Group, was incorporated on 2 January 2008 under the laws of the Cayman Islands as an exempted company with limited liability, under registration number 202172. PGH Cayman was originally formed as a non-operating special purpose acquisition company by Berggruen Acquisition Holdings II Ltd and Marlin Equities IV, LLC to acquire one or more operating businesses with principal activities outside North America.

Units of PGH Cayman, comprising both the shares of PGH Cayman and the warrants in respect of such shares ("**Public Warrants**"), were initially admitted for trading on Euronext Amsterdam on 6 February 2008. However, shares of PGH Cayman and the Public Warrants began to trade separately on 14 March 2008, following which the units ceased to exist as separate securities and were no longer listed.

On 29 June 2009, PGH Cayman announced that it had agreed to acquire PGH2 and its subsidiaries (the "**Pearl Group**") (the "**Pearl Group Acquisition**"). PGH2 was established in April 2005 in connection with the £1.1 billion acquisition of HHG plc's closed life companies by, amongst others, TDR Capital Nominees Limited and certain principals of Sun Capital Partners, and was further expanded in connection with the £5 billion acquisition of Resolution plc in May 2008 and the simultaneous sale of certain assets and companies held by Resolution plc to The Royal London Mutual Insurance Society Limited for £1.3 billion. The Pearl Group Acquisition completed on 2 September 2009 when PGH Cayman changed its name to Pearl Group.

On 25 March 2014, the Group agreed to dispose of the entire issued share capital of Ignis to Standard Life Investments, in return for a total consideration of £390 million which was paid in cash upon completion of the divestment.

On 1 November 2016, the Group acquired the SunLife Embassy Business from AXA UK plc for £373 million in cash.

On 30 December 2016, the Group acquired ALAC, Abbey Life Trustee Services Limited and Abbey Life Trust Securities Limited from Deutsche Holdings No. 4 Ltd., a wholly-owned subsidiary of Deutsche Bank for £933 million in cash.

On 31 August 2018, Phoenix completed the £2.9 billion acquisition of the SLAL businesses and entered into a strategic partnership with Standard Life Aberdeen (now abrtn).

Under a scheme of arrangement in accordance with section 86 of the Cayman Islands Companies Law between PGH Cayman and its shareholders, all of the issued shares in PGH Cayman were cancelled and an equivalent number of new shares in PGH Cayman were issued to PGH in consideration for the allotment to PGH Cayman shareholders of one ordinary share in PGH for each ordinary share in PGH Cayman that they held on the scheme record date, 12 December 2018.

The scheme of arrangement had the effect of PGH being inserted above PGH Cayman in the Group legal entity organisational structure and constituted a group reconstruction. The UK listing of Phoenix Group Holdings plc as a UK-registered company in place of its former Cayman Islands registration was the final stage of regularising its legacy residency and incorporation status and followed the movement of central management and control for Phoenix Group Holdings from Jersey to the UK in January 2018. The new company is the ultimate parent company and the insurance group holding company of the Group.

On 6 December 2019, PGH entered into a share purchase agreement to acquire the entire issued share capital of ReAssure from Swiss Re. The ReAssure Acquisition completed on 22 July 2020 for a total consideration of £3.1 billion in cash and shares.

On 7 September 2020, the Group completed the Part VII transfer of the mature savings business of Legal and General Assurance Society (the "**L&G Business**") from Legal and General Assurance Society, which resulted in the cancellation of the risk transfer agreement relating to that business that was in-force as at the date of the ReAssure Acquisition.

On 17 November 2020, the Pearl Pension Scheme trustees entered into the Commitment Agreement to complete a series of buy-ins that were scheduled to be executed by 31 December 2023. The Commitment Agreement replaces the pensions funding agreement entered into between the trustee of the Pearl Pension Scheme and PGH2 on 27 November 2012, as amended and restated on 29 June 2017 (the "**2012 Pensions Agreement**") made in respect of the Pearl Pension Scheme. The Group completed the final tranche of the series of buy-ins in 2022, such that the Pearl Scheme liabilities are now fully insured with PLL.

On 23 February 2021, Phoenix and abrtn announced that they had entered into a new agreement to simplify the arrangements of their strategic partnership pursuant to which Phoenix will sell certain of its SLAL investment and platform-related products to SLA (now abrtn) and acquire ownership of the "Standard Life" brand (and certain additional sub-brands) in addition to £115 million of cash consideration. The product transfer has not yet completed but the brand has transferred (with de-branding by abrtn ongoing).

On 23 June 2021, Swiss Re announced the sale of 66,199,917 shares in PGH, representing approximately 6.6 per cent. of the entire share capital of PGH. Following the settlement of this transaction on 25 June 2021, the aggregate holding of shares in PGH by all Swiss Re Group members (excluding any Asset Management Shares) fell below 10 per cent. of PGH's total issued share capital. As a result of the prior, the Swiss Re relationship agreement was terminated and Swiss Re ceased to be entitled to appoint a director.

On 13 July 2021, the Group announced that it had entered into an agreement to sell Ark Life to Irish Life Group Limited ("**Irish Life**") for a total cash consideration of €230 million payable on completion, which was completed on 1 November 2021 after all regulatory approvals had been received.

On 12 January 2022, Swiss Re disposed of its remaining 6.62 per cent. shareholding in the Group.

On 28 January 2022, the Group announced that abrdrn had sold approximately 40 million shares in the Group, representing approximately 4 per cent. of the Group's total issued share capital, leaving abrdrn holding approximately 10.4 per cent. of the Group's total issued share capital.

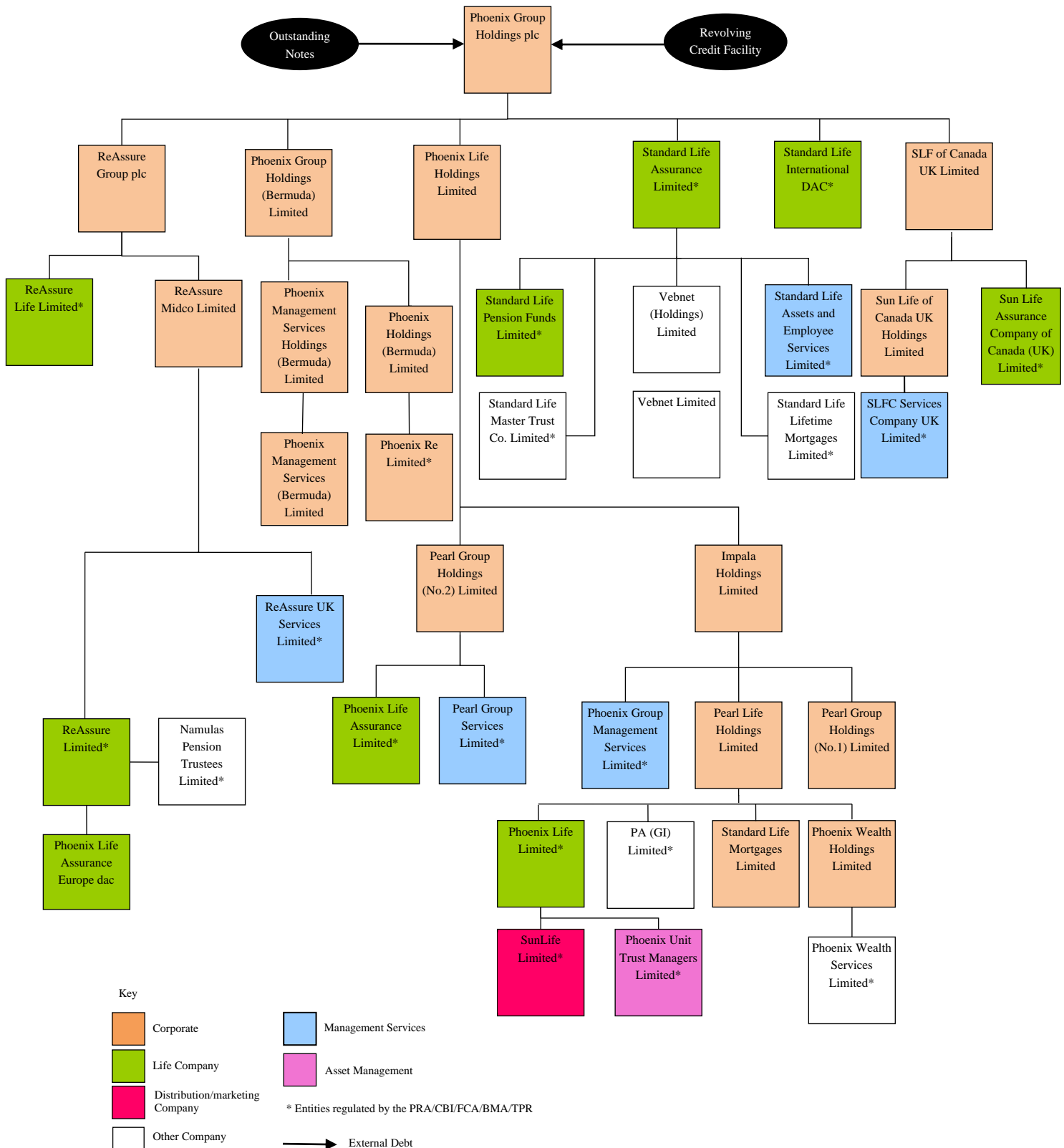
On 4 August 2022, PGH announced the proposed acquisition of the entire issued share capital of SLF of Canada UK Limited, which is the parent company of Sun Life Assurance Company of Canada (U.K.) Limited, a closed book UK life insurance company, from the Sun Life Assurance Company of Canada for total cash consideration of £248 million (the "**Sun Life Acquisition**"). The Sun Life Acquisition completed on 3 April 2023.

Recent Developments

On 7 February 2023, the Group announced an extension of its partnership with Tata Consultancy Services ("**TCS**"), as a result of which Phoenix will be moving around 3 million policies from its ALPHA platform to the TCS BaNCS™ platform provided by TCS's UK subsidiary, Diligenta.

Structure of the Group

The following chart gives an overview of the legal structure of the Group and its principal companies as at the date hereof. Shareholdings are 100 per cent. unless otherwise shown.



Strategy of the Group

Phoenix's core social purpose is helping people secure a life of possibilities, which in turn drives the Group's strategy of driving growth by addressing more of the evolving needs of existing customers and through acquiring new customers. The Group therefore has three strategic priorities:

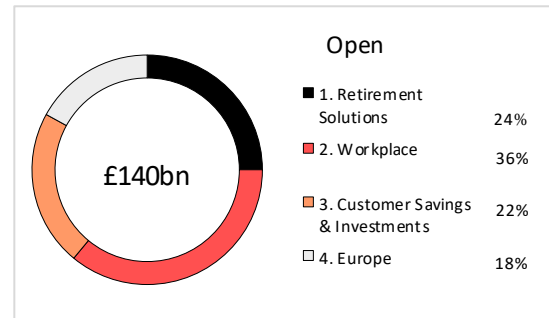
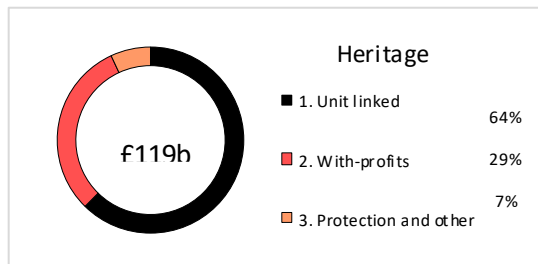
- (i) **Optimising in-force business:** Phoenix manages its scale in-force business to deliver resilient cash generation and management actions, including cost and capital synergies.
- (ii) **Growing organically and through M&A:** The Group has significant growth opportunities available, both through meeting more of the evolving needs of its existing customers, on their journey to and through retirement, and by acquiring new customers, both organically, and through M&A.
- (iii) **Enhancing the operating model and culture:** Phoenix prioritises the enhancement of its operating model and culture, recognising that it requires the best people and an efficient operating model to enable the Group to deliver on its purpose and strategy.

Phoenix has a range of growth opportunities that bring sustainability to the Group's cash generation profile through the growth of the Open business, bulk purchase annuities ("BPA") and the potential for further acquisitions. In the normal course of business, the Group may in the short term enter into further acquisitions that meet its acquisition criteria or undertake additional selective and proportionate BPA transactions which are not expected to require the Group to enter into further funding arrangements.

The following table gives an overview of the Group's divisions as at the date hereof.

	Heritage	Open
Products	Unit-linked With-profits Protection	Unit linked With-profits Annuities Protection
Business units	Phoenix	Pensions and Savings Retirement Solutions Europe SunLife

Assets under administration



1. Unit linked	64%
2. With-profits	29%
3. Protection and Other	7%

1. Retirement Solutions	24%
2. Workplace	36%
3. Customer Savings & Investments	22%
4. Europe	18%
5. SunLife	Not applicable

Heritage Business

The Group's Heritage business comprises products that are no longer actively marketed to customers. Phoenix is the market leader in the safe and efficient management of Heritage in-force business and has a strong track record of delivery. It has been built from two decades of consolidation and the business encompasses over 100 legacy brands including Britannic, Pearl, Scottish Mutual, AXA, Abbey Life, ReAssure, Sun Life of Canada UK as well as the Heritage customers of SLAL. The business has a broad range of life and pensions products which provide the Group with natural diversification and capital efficiencies.

The strategy of the Heritage business is to deliver improved customer outcomes and manage the Group's in-force business for resilience and cash. Organic cash emerges naturally from its in-force business as it runs off over time and Phoenix enhances this organic cash generation through its proven ability to deliver management actions which either increase the overall cashflows from the business or accelerate the timing of these cashflows.

Integral to the efficient management of its Heritage business is the continued optimisation of the Group's operating model, including implementing a single administration platform and harmonising its actuarial and finance models.

Open Business

The Group's growing Open business comprises products that are actively marketed to customers. The Open business strategy seeks to capitalise on the industry drivers of change through helping customers' journey to and through retirement by providing long-term solutions to their savings needs.

Phoenix's Open business comprises four business units: Retirement Solutions, Pensions and Savings, Europe and SunLife.

RETIREMENT SOLUTIONS

Phoenix participates across the key retirement markets, as it seeks to help customers secure income certainty in retirement, including Defined Benefit pensions (including Bulk Purchase Annuities, individual annuities, and equity release).

PENSIONS AND SAVINGS

Phoenix offers a range of products across both the accumulation and decumulation stages of the life-savings cycle through its Standard Life brand. Phoenix's strategy is built on better understanding its circa 12 million customers' needs in order to provide them with innovative solutions.

Phoenix's Workplace business supports people who save through workplace pensions, and Phoenix's Retail business supports individual customers to save for, transition to, and earn income in, retirement.

EUROPE

The Group's European business operates in Ireland and Germany primarily through the Standard Life brand. It offers a range of pensions and savings products, including international bonds.

SUNLIFE

SunLife continues to hold a strong position in the over-50s market, generating new business across its life cover, equity release and funeral plans.

Substantial Shareholdings

Information provided to PGH pursuant to Chapter 5 of the FCA's Disclosure and Transparency Rules is published on a Regulatory Information Service and on the Group's website. As at 23 June 2023 (being the latest practicable date prior to the date of this Prospectus), PGH had most recently been notified of the following significant holdings of voting rights in its shares:

	Number of voting rights in shares	Percent age of shares in issue
	_____	_____
		(%)
MS&AD Insurance Group Holdings, Inc.	144,877, 304	14.48
abrtn plc	107,025, 201	10.69
BlackRock, Inc.	51,251,5 18	5.14

Competitive Strengths and Market Overview

Competitive Strengths

The Group's business model is differentiated from its peers by a unique set of competitive strengths and is a business where the whole is greater than the sum of the parts.

The Group's scale in-force business provides it with three competitive advantages which enable the Group to deliver on its strategic priorities:

Capital efficiency:

As a diversified long-term savings and retirement business, the Group achieves greater diversification from the breadth of in-force products. The Group's capital position is also highly resilient through its core capabilities in risk management, and capital optimisation, underpinned by a single internal model.

Customer access:

With circa 12 million customers, the Group has an unrivalled level of customer access, with around 1-in-5 UK adults being a customer of the Group. This provides the Group with deep customer insights that underpin its developing propositions, enabling the Group better to meet evolving customer needs across the savings lifecycle.

Cost efficiency:

The Group has a significant cost efficiency advantage, which is enabled through its customer administration and IT partnership with TCS, and its focus on delivering a simplified operating model. This cost efficiency is demonstrated in the significant cost per policy savings delivered across recent acquisitions.

Market Overview

The Group has identified four major market trends which represent significant growth opportunities for Phoenix across its Heritage and Open businesses. Phoenix's strength and core competencies ensure that the Group is well placed to take advantage of these trends.

Corporates are de-risking

Corporates are de-risking their defined benefit scheme liabilities through BPA transactions in order to focus on their core businesses. This is fuelling increased demand for BPAs with more than £1.4 trillion (source: Hymans Robertson, Risk Transfer Report 2022) worth of liabilities uninsured and market flows of £30-60 billion per annum (as projected based on internal estimates).

Phoenix is an established player in the BPA market reflecting the investment made in building a comprehensive market proposition. This is enabled by the strong asset management and wider supporting capabilities that Phoenix has built.

Strong workplace growth

The workplace pension scheme market has flows of £40-50 billion per annum and this is growing rapidly, driven by auto-enrolment, an ageing population and the move from defined benefit schemes to defined contribution schemes.

The Group has re-established itself as a significant player in the Workplace market. The Group is investing in this business and will leverage the Standard Life brand and improved capabilities to retain and grow customer assets over time.

Responsibility for retirement planning is shifting to individuals

As responsibility for managing retirement income continues to shift to the individual, people are seeking guidance on their journey to and through retirement, with market flows of circa £80-100 billion per annum.

By engaging its circa 12 million customers to better understand their savings needs the Group can invest in its proposition to provide innovative solutions that encourage customers to consolidate their pension pots with Phoenix and enables the Group to retain them after they reach retirement.

Insurers are consolidating

Pressure on insurer balance sheets to focus their strategies, free up capital trapped in heritage books and to deal with cost inefficient legal platforms makes further heritage book consolidation likely. This represents a circa £470 billion¹ opportunity in the UK for Phoenix's Heritage business.

The Group is focused on identifying value-accretive M&A opportunities, where it can leverage its market-leading capabilities in successfully completing transactions, integrating businesses and delivering cost and capital synergies.

Cash Generation

Operating Companies' Cash Generation represents cash remitted by the Group's operating companies to the holding companies. Maintaining strong cash flow delivery underpins debt servicing and repayments. The cash flow analysis that follows reflects the cash paid by the operating companies to the Group's holding companies, as well as the uses of those cash receipts.

	Year ended 31 December	
	2022	2021
	<i>(£m)</i>	
Cash and cash equivalents at 1 January	963	1,055
Operating Companies' Cash Generation		
Net cash receipts from Life Companies	1,504	1,717
Uses of cash		
Operating expenses	(78)	(80)
Pension scheme contributions	(16)	(11)
Debt interest	(244)	(250)
Total operating cash outflows	(338)	(341)
Non-operating cash outflows	(395)	(305)
Uses of cash before debt repayments and shareholder dividend	(733)	(648)
Shareholder dividend	(496)	(482)
Total uses of cash before debt repayments and BPA activity	(1,229)	(1,228)
Debt repayment	(450)	(322)
Support of BPA activity	(285)	(359)
Cash and cash equivalents at 31 December	503	963

¹ Source: Market size estimate based on publicly available data as at 31 December 2021.

Cash generated by the operating companies in the year ended 31 December 2022 was £1,504 million (2021: £1,717 million). This exceeded the Group's target range of £1.3 to £1.4 billion for 2022.

The operating expenses in the year ended 31 December 2022 of £78 million (2021: £80 million) represent corporate office costs, net of income earned on holding company cash and investment balances.

Pension scheme contributions of £16 million (2021: £11 million) were made during the year ended 31 December 2022. The increase on 2022 is due to the inclusion of a £5 million contribution into the ReAssure Pension Scheme following a triennial review.

Debt interest of £244 million in the year ended 31 December 2022 (2021: £250 million) reflects interest paid on Group debt instruments.

Non-operating net cash outflows of £395 million during the year ended 31 December 2022 (2021: £305 million) include £90 million of Group project expenses including transition activity in relation to the Standard Life platform migration and £40 million of other ongoing integration programmes including ReAssure, and £33 million for finance transformation, including implementing the new IFRS 17 accounting standard. The Group also incurred £15 million of costs related to the cost of living colleague support, £12 million of acquisition costs related to the Sun Life Acquisition, and made a £15 million equity investment into the open finance platform Moneyhub. The Group incurred a further £77 million of other project costs, £68 million from close-outs in respect of the Group's hedging instruments and £45 million of other items.

The shareholder dividend of £496 million represents the payment of £248 million for the 2021 final dividend in May 2022 and the payment of £248 million for the 2022 interim dividend in September 2022. This has increased year-on-year, from £482 million, due to the 2.5 per cent. organic increase announced alongside the Group's full year 2022 results and the 2.5 per cent. inorganic increase for the Sun Life Acquisition.

£285 million (2021: £359 million) of funding was provided to the Life Companies during the year ended 31 December 2022 to support the BPA activity in the period with £4.8 billion of premiums written.

Target cash flows

The Group has set a short-term cash generation target of £1.3 to £1.4 billion for 2023.

In addition to the short-term target described above, the Group has set a cash generation target of £4.1 billion for the 3-year period from 2023 to 2025.

The Group's expected uses of cash for the years 2023 to 2025 are set out in the table below.

	<i>(£bn)</i>
Illustrative 2023 – 2025 uses of cash	
Operating costs and interest ⁽¹⁾	1.0
Dividend ⁽²⁾	1.5
Planned integration costs ⁽³⁾	0.4
Sun Life Acquisition	0.25
Available for investment into growth	1.45

Notes:

- (1) £1.0 billion of operating costs and interest includes: Group operating expenses of £0.4 billion including pension schemes and £0.6 billion for interest costs on Group's listed debt and senior debt to be incurred.

- (2) £1.5 billion dividend cost based on annual dividend cost of £0.5 billion per annum.
- (3) 0.4 billion integration costs to deliver migrations of Standard Life, ReAssure and Sun Life of Canada UK.

Targeted cash flows after 2024

There is a targeted £12.1 billion of cash to emerge after 2024. This does not include any management actions after 2024 and no additional value from future new business from the Group's Open business and BPA transactions. It also does not reflect the impact of any future mergers and acquisitions.

Capital

The Group undertakes a Solvency II capital adequacy assessment, and is subject to Group supervision, at the level of the ultimate parent company, PGH.

Solvency II Surplus

A Solvency II capital assessment involves a valuation in line with Solvency II principles of the Group's Own Funds and a risk-based assessment of the Group's Solvency Capital Requirement ("**SCR**"). PGH's Own Funds differ materially from the Group's IFRS equity for a number of reasons, including the recognition of future shareholder transfers from the with-profits funds and future management charges on investment contracts, the treatment of certain subordinated debt instruments as capital items, and a number of valuation differences, most notably in respect of insurance contract liabilities and intangible assets.

The SCR is calibrated so that the likelihood of a loss exceeding the SCR is less than 0.5 per cent. over one year. This ensures that capital is sufficient to withstand a broadly '1-in-200 year event'.

The Group operates a PRA approved Solvency II Internal Model covering all Group entities with the exception of the ReAssure Companies, PLAE and SLIDAC, the contributions of which to the Group SCR are determined in accordance with the Standard Formula.

Since the completion of the ReAssure Acquisition, the ReAssure Companies have adopted the Standard Formula for the purpose of determining their capital under Solvency II. Eventually, the Group intends to extend the scope of its Internal Model to include the UK ReAssure Companies.

The consolidated PGH Solvency II Surplus position at 31 December 2022 is set out in the table below:

	As at 31 Decemb er 2022	As at 31 Dec 2021
	<i>(£bn)</i>	<i>(£bn)</i>
Own Funds ⁽¹⁾	11.1	14.8
SCR ⁽²⁾	(6.6)	(9.5)
Surplus ⁽³⁾⁽⁴⁾	4.5	5.3

Notes:

- (1) Own Funds includes the net assets of the life and holding companies calculated under Solvency II rules, pension scheme surpluses calculated on an IAS19 basis not exceeding the holding companies' contribution to the Group SCR and qualifying subordinated liabilities. It is stated net of restrictions for assets which are non-transferable and

fungible between Group companies within a period of nine months.

- (2) The SCR reflects the risks and obligations to which PGH is exposed.
- (3) The surplus equates to a regulatory coverage ratio of 168 per cent. as at 31 December 2022 (2021: 156 per cent.).
- (4) Assuming a dynamic recalculation of transitional measures on technical provisions (“**TMTP**”) as at 31 December 2022, the Group’s Solvency II surplus would have been £95 million lower. The Group Solvency II surplus as at 31 December 2021 incorporated a mandatory recalculation of TMTP.

In the calculation of the Solvency II surplus, the SCR of unsupported with-profit funds and the Group’s pension schemes is included, but the related eligible Own Funds are recognised only to a maximum of their respective SCR amounts. Excluding the SCR and Own Funds relating to the unsupported with-profit funds and pension schemes, the Shareholder Capital Coverage Ratio was 189 per cent. as at 31 December 2022 (180 per cent. as at 31 December 2021). The Group targets a Shareholder Capital Coverage Ratio of 140 to 180 per cent..

The Solvency II surplus excludes the surpluses arising in the Group’s unsupported with-profits funds and unsupported pension schemes of £3.0 billion as at 31 December 2022. Surpluses that arise in with-profits funds and the Group’s unsupported pension schemes, whilst not included in the Solvency II surplus, are available to absorb economic shocks. This means that the headline surplus is resilient to economic stresses.

The resilience of the combined Group’s Shareholder Capital Coverage Ratio is demonstrated by illustrative stress testing as set out in the table below:

	Shareholder Capital Coverage Ratio
	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (%)
Illustrative risk exposure stress testing⁽¹⁾	
Solvency II base: As at 31 December 2022	189
Following a 20% fall in equity markets	3
Following a 80bps interest rates rise ⁽²⁾	5
Following a 70bps interest rates fall ⁽²⁾	(5)
Following 135bps credit spread widening ⁽⁵⁾	(4)
Following a 60bps rise in long-term inflation ⁽³⁾	-
Following a 12% fall in property values ⁽⁴⁾	(4)
Following credit downgrade: immediate full letter downgrade on 20% of portfolio ⁽⁶⁾	(7)
Following a 10% change in lapse rates ⁽⁷⁾	(1)
Following 6 months increase in longevity ⁽⁸⁾	(10)

Notes:

- (1) Illustrative impacts as at 1 January 2022 assume changing one assumption while keeping others unchanged, and reflects the business mix at the balance sheet date, and that there is no market recovery. Extreme markets movements outside of these sensitivities may not be linear
- (2) Assumes the impact of a dynamic recalculation of transitionals and an element of dynamic hedging which is performed on a continuous basis to minimise exposure to the interaction of rates with other correlated risks

including longevity.

- (3) Stress reflects a structural change in long-term inflation with an increase of 60bps across the curve.
- (4) Property stress represents an overall average fall in property values of 12 per cent.
- (5) Credit stress varies by rating and term and is equivalent to an average 135bps spread widening. It assumes the impact of a dynamic recalculation of transitionals and makes no allowance for the cost of defaults/downgrades.
- (6) Impact of an immediate full letter downgrade across 20 per cent. of the shareholder exposure to the bond portfolio (e.g. from AAA to AA, AA to A, etc). This sensitivity assumes no management actions are taken to rebalance the annuity portfolio back to the original average credit rating and makes no allowance for the spread widening which would be associated with a downgrade.
- (7) Assumes most onerous impact of a 10 per cent. increase/decrease in lapse rates across different product groups.
- (8) Applied to the annuity portfolio.

Minimum Capital Requirement

The solo minimum capital requirement (“MCR”) is intended to be the minimum amount of capital an insurer is required to hold pursuant to Solvency II below which policyholders and beneficiaries would become exposed to an unacceptable level of risk if an insurer was allowed to continue its operations. For groups, the minimum consolidated group SCR serves as a proxy for a ‘group MCR’. The minimum consolidated Group SCR is referred to below as the “MGSCR” and represents the sum of the underlying insurance companies’ MCRs in respect of the Group.

MCR is calculated according to a formula prescribed by the Solvency II regime and is subject to a floor of 25 per cent. of the SCR or €4.0 million, whichever is higher, and a cap of 45 per cent. of the SCR. The MCR formula is based on factors applied to technical provisions and capital at risk.

The eligible Own Funds to cover the MCR or MGSCR is subject to quantitative limits as shown below:

- the eligible amounts of Tier 1 items should be at least 80 per cent. of the MCR / MGSCR; and
- the eligible amounts of Tier 2 items shall not exceed 20 per cent. of the MCR / MGSCR.

The Group’s MGSCR at 31 December 2022 is £2.3 billion (31 December 2021: £3.0 billion).

The Group’s eligible Own Funds to cover the MGSCR as at 31 December 2022 was £8.2 billion (31 December 2021: £11.5 billion) leaving an excess of eligible Own Funds over MGSCR of £5.9 billion (31 December 2021: £8.5 billion), which translates to an MGSCR coverage ratio of 361 per cent. (31 December 2021: 387 per cent.).

	31 December 2022	31 December 2021
	<i>(£bn)</i>	<i>(£bn)</i>
Tier 1	7.8	10.9
Tier 2	0.4	0.6
Total eligible Own Funds to cover MGSCR	8.2	11.5

See also the 2022 Annual Report and Accounts, the 2021 Annual Report and Accounts and the Phoenix 2022 SFCR and Phoenix 2021 SFCR as incorporated by reference in this Prospectus.

Credit portfolio

As at 31 December 2022, the Group held within its shareholder and non-profit funds a portfolio of £10.8 billion of illiquid credit assets. The credit quality of the illiquid asset portfolio as at 31 December 2022 was: 23 per cent. AAA; 19 per cent. AA; 27 per cent. A; 27 per cent. BBB; and 4 per cent. BB and below.

During the period ended 31 December 2022, illiquid investment origination was £3.5 billion (compared to £3.0 billion as at 31 December 2021, equating to a 17 per cent. increase). This included £1 billion of environmental, social and governance investments (compared to £1.3 billion as at 31 December 2021, equating to a 23 per cent. decrease).

The largest sectors represented in the portfolio within the shareholder and non-profit funds as at 31 December 2022 were gilts, sovereign, supranational and other government bonds (24 per cent.); banks (14 per cent.); real estate (13 per cent.); equity release mortgages (13 per cent.); utilities (7 per cent.); non-cyclical consumer (5 per cent.); infrastructure (5 per cent.); technology and telecoms (4 per cent.); and industrials (4 per cent.).

Indebtedness

The Group manages the level of debt on its balance sheet by monitoring its financial leverage ratio. The financial leverage ratio as at 31 December 2022 (as calculated by the Group in accordance with Fitch Ratings' stated methodology) is 30 per cent. (28 per cent. as at 31 December 2021) and is within the target range of 25 to 30 per cent.

The financial leverage ratio on an IFRS and Solvency II basis as at 31 December 2022 was 50 per cent. and 34 per cent. respectively.

Financial leverage ratios allow for currency hedges over foreign currency denominated debt as of 31 December 2022.

Please see note E5 Borrowings to the 2022 Full Year Report and Accounts, as incorporated by reference herein and see also "*Material Contracts – Outstanding debt*" for further information on the Group's indebtedness.

Outsourcing Relationships

The Group's outsourced service providers are specialist providers of life and pensions administration services, asset management and fund administration services, with the know-how, expertise and business models that put asset management and administration at the core of their service offerings. The services provided by outsourced service providers include policy administration, human resources, financial administration, asset management and fund administration services. The most significant outsourcing relationships for policy administration services are with Diligenta and TCS.

As closed life funds run-off, fees generated from the management of policies generally decrease over time. Therefore, the Group continues to benefit from these outsourcing arrangements, which align in part its costs with the policy run-off profile of its book. The use of outsourced service providers in both its open and heritage businesses enable the Group to better shift its cost base from a largely fixed cost base to a more variable per-policy basis. The Group's outsourced service providers are also able to offer their services at a competitive price per policy due to their larger economies of scale and infrastructure investments and furthermore, these partnerships allow for additional technical and operational expertise to be brought to bear at competitive pricing, whilst minimising any risk transfer to the Group.

The Group also has arrangements with a range of other service providers for other services. Such services include human resources services (including payroll), policyholder investment accounting services, annuity payment services, mailing services, telephony services, information technology application and management services (including cloud services), property investment services, storage and hardware services (including data centre provision), and facilities management services.

On 7 February 2023, the Group announced the extension of its partnership with TCS. Phoenix will be moving around 3 million policies from its ALPHA platform to the TCS BaNCS™ platform provided by TCS's UK subsidiary Diligenta, a leading provider of business process services to the life and pensions industry. Consolidating all policies on TCS BaNCS™ will allow the business to benefit from TCS's significant ongoing investment in the platform with Phoenix customers benefiting from the clear digital focus, consistent customer journeys and customer proposition provided by one platform. The ALPHA platform will be decommissioned, with all policies moving on a staggered basis to TCS BaNCS™. It is expected this will be complete by 2026. Some back office administrative processes will be moved to TCS's operational hub in India. All of the customer call servicing will remain within TCS's UK operations with the plan to operate the customer contact centre from the existing Phoenix Telford site using ReAssure operational teams. This will eventually lead to the closure of the Phoenix site in Hitchin by 2026.

Pensions

The Group's main staff pension scheme for its employees is the Phoenix Group Master Trust Pension Plan administered by Standard Life and the ReAssure Pension Schemes. For all colleagues who have reached the annual or lifetime allowance limits, a cash supplement is paid in lieu of pension contribution. Additionally, the Group also runs the Pearl Scheme, the PGL Pension Scheme and the Abbey Life Pension Scheme.

The Phoenix Group Master Trust Pension Plan

With effect from 1 July 2020, employees of legacy Phoenix pension plans (excluding the members of the Group Flexible Retirement Plan described below) have defined contributions paid by the Group into the Phoenix Group Master Trust Pension Plan administered by Standard Life. This plan has an employer core contribution of 10 per cent. plus matching on a one for one basis up to a further 2 per cent., making total employer contributions a maximum of 12 per cent.

The Pearl Scheme

The Pearl Scheme comprises a final salary section, a money purchase section and a hybrid section (a mix of final salary and money purchase). The Pearl Scheme has no active members. On 17 November 2020, the Pearl Scheme trustees entered into the Commitment Agreement with PGH2 to complete a series of buy-ins that were completed on 16 November 2022 and all liabilities are fully insured with PLL. The Commitment Agreement replaced the 2012 Pensions Agreement made in respect of the Pearl Scheme.

The PGL Pension Scheme

The PGL Pension Scheme comprises a final salary section and a defined contribution section.

The defined benefit sections of the PGL Pension Scheme is a final salary arrangement which is closed to new members and since 1 July 2011 has also been closed to future accrual by active members. The defined benefit section of the PGL Pension Scheme has no active members and all liabilities are fully insured with PLL. The majority of assets within the defined contribution section have been transferred to the Phoenix Group Master Trust Pension Plan.

The Abbey Life Pension Scheme

The Abbey Life Pension Scheme is a final salary arrangement containing a small amount of defined contribution benefits, and is closed to new members and to future accruals, and contains no active members.

In June 2013 and June 2016 respectively, Abbey Life set up the 2013 Charged Account and the 2016 Charged Account into which payments were made under a funding agreement with the trustee.

The ReAssure Pension Scheme

The ReAssure Pension Scheme is a final salary arrangement containing a small amount of defined contribution benefits and is closed to new members and to future accruals.

Future funding requirements of ReAssure Pension Scheme are determined by the outcome of the triennial scheme valuation which was last performed at 31 December 2020. The scheme trustee's primary funding objective is the statutory funding objective, which is to have sufficient and appropriate assets to cover the scheme's technical provisions (the amount that the scheme trustee has determined to be required to make provision for the scheme's liabilities).

In December 2017, the Group set up a custody account (the "**Custody Account**"). This account has been included within the ReAssure Companies' financial investments as at 31 December 2022. The amount held in the Custody Account will be assessed at future valuations and additional payments will be made by the Group if this is deemed insufficient to meet the balance of the funding shortfall as at 31 December 2025. If the assumptions documented in the Statement of Funding Principles are borne out in practice, the amount expected to be held in the Custody Account as at 31 December 2025 would be more than sufficient to remove any remaining deficit at 31 December 2025.

The Sun Life of Canada Pension Scheme

The Sun Life of Canada Pension Scheme is a final salary arrangement containing a small amount of defined contribution benefits and is closed to new members and to future accruals. Over 90 per cent. of the defined benefits liabilities are insured under two transactions.

Pension Arrangements for UK based Standard Life Assets and Employee Services Limited employees

With effect from August 2018 a new defined contribution Group Flexible Retirement Plan was established for all Standard Life Assets and Employee Services Limited ("**SLAESL**") employees transferring to the Group on the acquisition of Standard Life. This plan has an employer core contribution of 12 per cent. plus matching on a one for one basis up to a further 4 per cent., making total employer contribution maximum 16 per cent. This plan closed to new members from 1 July 2020 as all new employees will now join the Phoenix Group Master Trust Pension Plan administered by Standard Life.

Pension Arrangements for Irish based Standard Life Assets and Employee Services Limited and SLIDAC Employees

With effect from September 2018 the trust-based Phoenix Standard Life Defined Contribution Scheme was established for all SLAESL and SLIDAC employees transferring to the Group on the acquisition of Standard Life. This plan has an employer core contribution of 12 per cent. plus matching on a one for one basis up to a further 4 per cent., making total employer contribution maximum 16 per cent. This plan remains open to new employees in Ireland although from 1 July 2020 contribution rates for new members will be aligned to that of the Phoenix Group Master Trust Pension Plan administered by Standard Life at a core 10 per cent. plus matching on a one for one basis up to a further 2 per cent., making total employer contributions a maximum of 12 per cent.

The ReAssure Companies' Pension Arrangements

The ReAssure Companies operate a defined contribution ReAssure Personal Plan (“**ReAssure PP**”). The ReAssure PP’s contribution rates by the ReAssure Companies are generally 5 per cent. and vary based on a number of factors (including whether an individual member has opted into auto-enrolment or is a member of a legacy arrangement), and the ReAssure Companies will further match relevant employee contributions made via salary sacrifice up to a maximum of an additional 5 per cent.

See “*Risk Factors – Risks relating to the Group – Insurance Risks, Internal Operations, Management and Third Party Arrangements – The Group may be required to make further contributions, in addition to those already agreed, to its defined benefit pension schemes for employees if the value of or cashflows from pension fund assets is not sufficient to cover future obligations under the schemes.*” For a further discussion on the Group’s defined benefit pension schemes.

As part of the RLL acquisition, the ReAssure Companies acquired the defined contribution scheme operated by RLL and RLL will administer the scheme for a period of time following the completion of the RLL acquisition. From January 2022, the ReAssure Companies moved to the Phoenix Group Master Trust Pension Plan. This plan has an employer core contribution of 10 per cent. plus matching on a one for one basis up to a further 2 per cent., making total employer contribution maximum 12 per cent. However, following the move, some legacy contribution structures still remain.

Employees

The Group had 8,333 employees as at 31 December 2022, of which 172 were considered to be “fixed term” employees with specified end dates.

The following table shows the number of employees of the Group as at 31 December 2022, 31 December 2021 and 31 December 2020:

	Number of employ ees
As at 31 December 2022	8,333
As at 31 December 2021	8,045
As at 31 December 2020	7,653

The Group has a staff association, the Phoenix Colleagues Representative Forum (“**PCRF**”), which represents all colleagues (excluding the Executive Committee) across all heritages and geographies (excluding SunLife, Ireland and Germany). The PCRF works in partnership with the Group to find solutions which are to the benefit of employees while supporting the business strategy. The PCRF represents not just in collective and individual scenarios where statutory representation is required, but also offers support to employees through the employee lifecycle, bringing insight to business decision making in wellbeing, engagement, terms and conditions and Diversity, Equity & Inclusion.

Properties

In the UK, the Group primarily operates from leased office premises in London, Bristol, Basingstoke, Edinburgh, Glasgow and Hitchin premises owned by the Group in Wythall, Basingstoke and Telford and

premises occupied under a licence in Norwich. In Europe, the Group operates from leased premises in Frankfurt, Graz and Dublin. The Group also operates from leased office premises in Hamilton, Bermuda.

Directors

The following table lists the names and positions of the Directors:

Name	Position
Alastair Barbour	Interim Chair and Chair of Nomination Committee
Andy Briggs	Group Chief Executive Officer
Rakesh Thakrar	Group Chief Financial Officer
Karen Green	Senior Independent Director and Chair of Sustainability Committee
Belinda Richards	Independent Non-Executive Director
David Scott	Shareholder Nominated Non-Executive Director
Hiroyuki Iioka	Shareholder Nominated Non-Executive Director
John Pollock	Independent Non-Executive Director and Chair of Risk Committee
Katie Murray	Independent Non-Executive Director and Chair of Audit Committee
Kory Sorenson	Independent Non-Executive Director and Remuneration Committee Chair (until 30 June 2023)
Maggie Semple OBE	Independent Non-Executive Director and Designated Non-Executive Director for Workforce Engagement
Mark Gregory	Independent Non-Executive Director
Nicholas Shott	Independent Non-Executive Director

The business address of each of the Directors is 20 Old Bailey, London, EC4M 7AN, United Kingdom.

On 23 February 2022, the Group announced that its former Chair of the Board of Directors, Nicholas Lyons, had been nominated for the role of Lord Mayor of the City of London beginning November 2022 for a one-year term. Beginning 1 September 2022, Mr Lyons began a sabbatical from the Group and is expected to return to the role of Chair of the Board of Directors and Chair of the Nomination Committee of PGH in November 2023, subject to regulatory approval. Mr Lyons resigned from his roles on the PGH Board of Directors for the period of his sabbatical.

Alastair Barbour has taken on the role of interim Chair of the Board of Directors of PGH effective 1 September 2022 for the term of Mr Lyons' sabbatical.

On 10 March 2023, the Group announced the intention of Kory Sorenson to retire from the PGH Board of Directors on 30 June 2023.

Other directorships/partnerships of the Board of Directors

In respect of each Director, details are set out below of the companies (not including any member of the Group) of which such Director has been a member of the administrative, management or supervisory bodies or partner at any time in the five years prior to the date of this Prospectus:

Name	Current directorship/partnership	Previous directorship/partnership
Alastair Barbour	Bank of N.T. Butterfield & Son Limited Liontrust Asset Management plc Royal & Sun Alliance Insurance Limited RSA Insurance Group Limited Scottish Equitable Policyholders Trust Limited	CATCo Reinsurance Opportunities Fund Limited CATCo Reinsurance Fund Limited Standard Life European Private Equity Trust Plc
Andy Briggs	Association of British Insurers Trustee of the NSPCC and Chair of their Income Generation Committee UK Government Business Champion for Older Workers and for the Ageing Society Grand Challenge	Aviva Administration Limited Aviva Annuity UK Limited Aviva Insurance Limited Aviva Life & Pensions UK Limited Aviva Life Holdings UK Limited Aviva Life Services UK Limited Aviva PLC Aviva UK Digital Limited Friends Life and Pensions Limited Friends Life FPG Limited Friends Life FPL Limited Friends Life FPLMA Limited Friends Life Limited
Rakesh Thakrar	Bupa UK Mythili Megha Limited	
Karen Green	Admiral Group plc Advisor to Cytora Limited (Insurtech) Asta Corporate Member Limited ASTA Managing Agency Limited Council of Lloyd's of London Development Council of the Almeida Theatre Company Great Portland Estates plc (with effect from 1 December 2023) Miller Insurance Services LLP Cytora (Insurtech)	Aspen European Holdings Limited Aspen Insurance UK Limited Aspen Insurance UK Services Limited Aspen Managing Agency Limited Aspen Risk Management Limited Aspen Underwriting Limited
Belinda Richards	Avast plc The Monks Investment Trust Public Limited Company Schroder Japan Growth Fund plc Youth Sport Trust	Aviva Administration Limited Aviva Annuity UK Limited Aviva Life & Pensions UK Limited Aviva Life Holdings UK Limited Aviva Life Services UK Limited Friends Life and Pensions Limited Friends Life Limited Grainger PLC Jupiter Fund Management plc

Name	Current directorship/partnership	Previous directorship/partnership
		WM Morrison Supermarkets PLC
David Scott	Focus Business Solutions Limited	University of St Andrews Students' Association (Charity)
Hiroyuki Iioka	Challenger Limited MS&AD Insurance Group Holdings, Inc	ReAssure Jersey One Limited ReAssure Group PLC
John Pollock	None	None
Katie Murray	Money & Pensions Service NatWest Group PLC National Westminster Bank Public Limited Company NatWest Holdings Limited The Royal Bank of Scotland Public Limited Company Ulster Bank, Limited	
Kory Sorenson	Bank Gutmann AG Basing TopCo Limited Comgest SA Pernod Ricard SA SCOR SE SGS SA	Aviva Insurance Limited Chateau Troplong Mondot ProMetic Life Sciences Inc SCOR Global Life Americas Reinsurance Company SCOR Global Life US Reinsurance Company Uniqa Insurance Group AG
Maggie Semple	JN Bank UK Limited Maggie Semple Limited The Experience Corps Limited Creative Dialogue Limited I-Cubed Group Ltd	South Bank Arts Centre, London
Mark Gregory	Direct Line Insurance Group plc	Entain plc Legal & General Group plc Merian Global Investors
Nicholas Shott	28 Smith Street Limited	Home Office Lazard & Co. Limited Lazard & Co. Holdings Limited Lazard & Co. Services Limited Old Bailey 2005 LLP

Conflicts of interest and other matters

PGH is not aware of any conflicts of interest between any duties owed by the Directors to PGH and their private interests or other duties, save that David Scott has been nominated to the Board of Directors by abrDN under the terms of a relationship agreement which regulates PGH and abrDN's relationship following completion of the SLA Acquisition. David Scott will continue in his role at abrDN. Similarly, Hiroyuki Iioka has been nominated to the Board of Directors by MS&AD, pursuant to the ReAssure Relationship Agreements. Hiroyuki Iioka will continue in his role with MS&AD.

Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) (i) have been entered into by PGH or another member of the Group within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Group or (ii) have been entered into prior to such period and contain provisions under which a member of the Group has an obligation or entitlement which is material to the Group.

ReAssure Relationship Agreement

Following the ReAssure Acquisition, PGH entered into a relationship agreement with MS&AD Insurance Group Holdings, Inc. ("**MS&AD**"), with effect upon the transfer by Swiss Re to MS&AD of the Acquisition Shares that represent 10 per cent. or more of PGH's total issued share capital pursuant to the ReAssure Share Purchase Agreement, to govern MS&AD's holdings of shares in PGH and the continuing relationship between PGH and MS&AD following completion of the ReAssure Acquisition (the "**ReAssure Relationship Agreement**"). The ReAssure Relationship Agreement came into effect on 23 July 2020.

The ReAssure Relationship Agreement will cease to be effective if: (i) PGH's shares are no longer listed on the premium listing segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange; or (ii) MS&AD group and its associates (excluding any member of the PGH Group) (the "**MS&AD Group Members**"), cease to be interested in aggregate in at least 10 per cent. of the shares in PGH from time to time (excluding the shares held by the MS&AD group, (a) for the purposes of providing asset management services to a person other than a MS&AD Group Member; or (b) on behalf of a customer other than another MS&AD Group Member, (together, the "**Asset Management Shares**"), the relationship agreement between PGH and MS&AD, will also cease to be effective.

The ReAssure Relationship Agreement provides, among other things, that subject to compliance with applicable law or regulations, for so long as the aggregate holding of shares in PGH by all MS&AD Group Members (excluding any Asset Management Shares), is at least 10 per cent. of the entire share capital of PGH, MS&AD shall be entitled to appoint (and remove and reappoint) one non-executive director to the Board of Directors of PGH.

SLAL Share Purchase Agreement

On 23 February 2018, PGH Cayman (as buyer) and SLA (now abrDN) (as seller) entered into a share purchase agreement, which was amended and restated on 28 May 2018 and on 31 August 2018 (the "**SLAL Share Purchase Agreement**"). Under its terms the entire share capital of SLAL was transferred to PGH Cayman on 31 August 2018 and SLA (now abrDN) gave certain indemnities to PGH Cayman. On 23 February 2021 asset management components of the SLAL Share Purchase Agreement were extended to February 2031.

Under the SLAL Share Purchase Agreement, there may be an adjustment to the price paid by PGH Cayman in respect of the SLA Acquisition in connection with withdrawals of certain assets in specific circumstances from SLA's (now abrDN's) management. The adjustment will be commensurate to the projected value of fees

lost by SLA (now abrdn) as a result of the withdrawal, taking into account the likely run-off profile of the withdrawn assets.

Relationship Agreement

On 31 August 2018, Standard Life Aberdeen (now abrdn) and PGH Cayman entered into a relationship agreement to govern Standard Life Aberdeen's holding of PGH Cayman shares and the continuing relationship between the parties following completion of the SLA Acquisition. On 11 December 2018, a new relationship on substantially the same terms was entered into by Standard Life Aberdeen and PGH (the "**Relationship Agreement**").

The Relationship Agreement provides, among other things, that subject to compliance with applicable law or regulations, for so long as the aggregate holding of PGH shares by all abrdn group members (excluding certain shares) is (i) at least 15 per cent. of the shares, abrdn shall be entitled to appoint (and remove and reappoint) two non-executive directors to the Board of Directors of PGH and (ii) at least 10 per cent. of the shares (but less than 15 per cent.), abrdn shall be entitled to appoint (and remove and reappoint) one non-executive director to the Board of Directors of PGH. The Relationship Agreement also addresses transactions and relationships between members of the PGH and abrdn Groups and includes certain provisions in relation to the acquisition and disposal of PGH shares.

Revolving Credit Agreement – June 2026

PGH is party to the Revolving Credit Agreement. Under the Revolving Credit Agreement, the lenders have made available a multicurrency revolving loan facility in an aggregate principal amount equal to £1.75 billion (of which £500m may also be used as a multicurrency swingline facility), which bears a floating rate of interest. The final maturity date of the facility under the Revolving Credit Agreement is 27 June 2026. There are no mandatory or target amortisation payments associated with the facility (but the facility is subject to customary event-driven mandatory prepayment obligations). Voluntary prepayments are permissible. As at the date of this Prospectus, the Revolving Credit Agreement is undrawn.

Outstanding debt

As at the date of this Prospectus, the Group has the following outstanding capital markets debt instruments:

Title	Issuer	Date Issued	Listing¹
U.S.\$500,000,000 4.750 per cent. Fixed Rate Reset Tier 2 Notes due 2031	PGH	4 June 2020	LSE
£500,000,000 5.625 per cent. Tier 2 Notes due 2031	PGH	28 April 2020	LSE
U.S.\$750,000,000 5.625 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes	PGH	29 January 2020	LSE
£500,000,000 5.867 per cent. Tier 2 Notes due 2029	PGH	13 June 2019 ²	PSM
£250,000,000 5.766 per cent. Fixed Rate Reset Callable Tier 2 Notes due 2029	PGH	13 June 2019 ²	PSM
£250,000,000 4.016 per cent. Tier 3 Notes due 2026	PGH	13 June 2019 ²	PSM
£500,000,000 5.75 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes	PGH	26 April 2018	GEM

Title	Issuer	Date Issued	Listing¹
€500,000,000 4.375 per cent. Tier 2 Notes due 2029	PGH	24 September 2018	LSE
U.S.\$500,000,000 5.375 per cent. Tier 2 Notes due 2027	PGH	6 July 2017	LSE
£428,113,000 6.625 per cent. Subordinated notes due 2025	PGH	23 January 2015	LSE

Notes:

- (1) London Stock Exchange (LSE), Professional Securities Market (PSM) of the London Stock Exchange, Global Exchange Market (GEM) of the Irish Stock Exchange.
- (2) PGH was substituted as principal debtor in place of ReAssure Group plc on 22 July 2020.

REGULATORY OVERVIEW

Overview

The Group's operations are subject to extensive government regulation, including FSMA and other UK laws including, for example, the Data Protection Act 2018 in relation to the processing of customer data. Some of these laws require, and will require, the relevant Group entity to be authorised, licensed or registered. Below is an overview of the regulatory framework for the insurance industry in the UK.

Whilst the bulk of the Group's activities are carried out in the UK, reference is also drawn to non-UK laws and regulation where appropriate. Brexit has resulted in changes to the UK's regulatory system, and further changes may occur over time. Changes to law and regulation in the EU may also have implications for UK businesses if the UK and EU regulatory systems diverge. The Group continues to consider the potential implications of the post-Brexit environment and has taken steps such as seeking legal advice, engaging in resource planning and ensuring that appropriate procedures are in place while the uncertainty continues. For further information, see *"Risk Factors – Risks relating to the Group – Economy and Financial Markets – The Group's business is subject to risks arising from economic conditions in the UK and other markets in which it operates or in which its and its policyholders' investments are invested and from risks arising from the UK's exit from the EU, also known as "Brexit" and any possible future further referendum on Scottish independence"*.

Regulators and approach to regulation

All of the insurance companies in the UK are currently dual-regulated by the FCA (for conduct matters) and the PRA (for prudential matters), whilst other firms are solely regulated by the FCA (for both conduct and prudential matters). In addition to the insurance companies, certain companies in the Group are authorised by the FCA to carry on investment business. These entities are subject to regulation and supervision by the FCA and must comply with the FCA's conduct of business and prudential rules made under FSMA and set out in the FCA Handbook. SLIDAC and PLAE are authorised and regulated solely by the CBI.

The FCA employs a risk based and proportionate approach to supervision. The FCA's supervision model is based on three pillars: (1) the Firm Systematic Framework (FSF) – preventative work through structured conduct assessment of firms; (2) event-driven work - dealing with problems that are emerging or have crystallised, and securing customer redress or other remedial work where necessary; and (3) issues and products - thematic work on sectors of the market or products within a sector that are putting or may put consumers at risk.

The PRA employs a judgement based, forward looking and focused approach to regulation using a proactive intervention framework to identify and respond to risks at an early stage. The position of each insurer is reviewed regularly to ensure that the PRA's level of supervision is appropriate.

The FCA and PRA expect firms to avoid actions that would run contrary to the FCA's and PRA's statutory objectives. When the FCA and PRA are concerned that a firm may present a risk this may lead to actions being taken under FSMA, including (for example) the requirement to maintain a higher level of regulatory capital or a detailed review of a particular issue being undertaken by an external consultant.

Additionally, the Bank of England is responsible for ensuring and protecting the stability of the UK financial system and supervising financial market infrastructures. The Bank of England has specific responsibilities in relation to financial stability, including:

- ensuring the stability of the financial system of the UK;

- the oversight of financial market infrastructures, in particular, inter-bank payment systems; and
- maintaining a broad overview of the financial system through its monetary stability role.

In addition to the FCA and PRA, The Pensions Regulator (the "TPR") is relevant as a regulator. TPR is a risk-based regulator. TPR takes an approach informed by its statutory objectives, which are interpreted in accordance with corporate priorities and informed by its assessment of the key risks facing the schemes and employers it oversees.

TPR's mandate derives from its statutory objectives, which are set out in the Pensions Act 2004, as amended by the Pensions Acts 2008 and 2014.

The objectives are as follows:

- (i) to protect the benefits of members of occupational pension schemes;
- (ii) to protect the benefits of members of personal pension schemes (where there is a direct payment arrangement);
- (iii) to promote, and to improve understanding of, the good administration of work-based pension schemes;
- (iv) to reduce the risk of situations arising which may lead to compensation being payable from the Pension Protection Fund;
- (v) to maximise employer compliance with employer duties and the employment safeguards introduced by the Pensions Act 2008; and
- (vi) in relation to Defined Benefit scheme funding, to minimise any adverse impact on the sustainable growth of an employer.

TPR therefore has an interest in certain types of pension provided by various regulated firms within the Group.

In addition, TPR authorises and supervises 'Master Trust' pension schemes. SLAL has two such pension schemes. TPR has regular supervisory meetings with the Trustees of the schemes as well as senior representatives from SLAL to oversee the running of the Master Trust schemes. In common with the FCA and PRA, TPR expects schemes to avoid actions that jeopardise its statutory objectives.

Overview of FSMA regulatory regime: dual regulators

The FCA and PRA regulate persons carrying out the regulated activities prescribed in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended, in the financial services sector. In this regard, the FCA and PRA are authorised to make rules and issue guidance in relation to a wide sphere of activities encompassing the governance of a firm, the way it conducts its business and the prudential supervision of firms. The FCA regulates the conduct of every authorised firm (including firms who are also regulated by the PRA). The PRA has responsibility for carrying out the prudential regulation of banks, insurance companies and systemically important designated investment firms. These firms are referred to as "dual-regulated" because they are authorised and regulated by the PRA (for prudential matters) and also regulated by the FCA (for conduct matters).

Permission to carry on "Regulated Activities"

Under FSMA, no person may carry on or purport to carry on a regulated activity by way of business in the UK, in respect of a specified investment or property, unless they are an authorised or exempt person. A firm that is authorised by the PRA or FCA to carry on regulated activities becomes an authorised person for the purposes of FSMA. "Regulated activities" are currently prescribed in the Financial Services and Markets Act

2000 (Regulated Activities) Order 2001 (as amended) and include insurance-related activities and investment activities (which includes managing investments), as well as certain other activities. Where an entity is domiciled outside the UK, other regulatory authorities' authorisation may need to be sought. See "Other regulatory systems" below.

Authorisation procedure

In granting a UK firm's application for authorisation, the FCA and PRA (if applicable) may delineate the scope of, and include such restrictions on, the grant of permission as the relevant regulator deems appropriate. Dual regulated firms must apply to the PRA for authorisation, whilst solo regulated firms (i.e. firms regulated solely by the FCA) must apply to the FCA. In granting or varying the terms of a firm's permissions, the FCA and PRA must ensure that the firm meets certain threshold conditions, which, among other things, require the firm to have adequate resources for the carrying on of its business, and to be a fit and proper person, having regard to all the circumstances.

Once authorised, and in addition to continuing to meet the threshold conditions for authorisation, firms are obliged to comply (as relevant) with the FCA Handbook and the book of rules and guidance, including as to regulatory capital requirements, maintained by the PRA (the "**PRA Rulebook**") which contain detailed rules covering, among other things, systems and controls, conduct of business and prudential (i.e. capital) requirements.

Principles for Businesses

The FCA Handbook and the PRA Rulebook contain high level standards for conducting financial services business in the UK, known as the Principles for Businesses (in the case of the FCA Handbook) and the Fundamental Rules (in the case of the PRA Rulebook). All firms are expected to comply with these standards, which cover matters including the maintenance of adequate systems and controls, treating customers fairly, communicating with customers in a manner that is clear, fair and not misleading and being open and co-operative with the FCA and PRA.

Future Regulatory Framework Review

The UK government has launched a review of how financial services policy and regulation are made in the UK following Brexit, known as the "Future Regulatory Framework Review". The UK government is not proposing to change the core elements of the FSMA model, as a part of this review, but it may result in some changes to the division of responsibilities between Parliament, HMT and the financial services regulators. In particular, more power may be devolved to the FCA and the PRA to develop and maintain regulatory requirements for firms, including the vast majority of those EU standards that were incorporated within UK law at the end of the Brexit transition period. The regulators would, however, operate within a policy framework created by Parliament and HMT and would be accountable to, and scrutinised by, them. The review may also result in some adjustments to the regulators' objectives, with HMT having proposed the introduction of new secondary objectives for the PRA and the FCA relating to growth and international competitiveness. Changes to FSMA would be required to implement the various measures that have been proposed. The UK government has not yet introduced legislation as a result of its review. See also the risk factor "*The Group may become subject to regimes governing the recovery, resolution or restructuring of insurance companies*" regarding the changes that may be introduced by the Bill.

Application of FSMA regulatory regime to the Group

Each of the Group's principal UK insurance and investment businesses is subject to regulation and supervision by the PRA and FCA in the carrying-on of the Group's regulated activities. The discussion below considers the main features of the regulatory regime applicable to the Group's insurance and investment business in the UK.

Regulation applicable to the Group's insurance business

Supervision of management and change of control of authorised firms

One of the methods by which the FCA and PRA supervise the management of authorised firms is through the Senior Managers & Certification Regime ("**SMCR**").

The SMCR has applied to insurers since 10 December 2018 and to other regulated firms in the Group since 9 December 2019, and comprises the following elements:

- a senior managers' regime, which applies to individuals performing a senior management function ("**SMF**"). A SMF is a function that requires the person performing it to be responsible for managing one or more aspects of the relevant firm's affairs (so far as such affairs relate to regulated activities) and those aspects involve, or may involve, a risk of serious consequences for the relevant firm, or for business or other interests of the UK. Firms must ensure that every activity, business area and management function has an SMF with overall responsibility for it. Appointment of an individual performing an SMF requires regulatory approval;
- a certification regime, which applies to employees of relevant firms who could pose a risk of significant harm to the firm or to any of its customers ("**Certified Persons**"). Such employees are not pre-approved by the PRA or FCA. Rather firms are required to certify that such employees are fit and proper to perform their roles on at least an annual basis. Every Certified Person receives one certificate which covers FCA functions and any PRA functions; and
- conduct rules, which are high level requirements that apply to most employees (other than ancillary staff) of an insurer.

On 30 March 2023, HMT published a call for evidence on the SMCR. In parallel, the FCA and PRA published a joint discussion paper on potential ways to improve the regime. HMT's call for evidence focuses on the legislative aspects of the regime while the joint discussion paper from the FCA and PRA focuses on the regulatory framework. Both papers closed for comments on 1 June 2023.

The focus of the review is on introducing efficiencies into the regime and reducing the administrative burden on firms rather than more fundamental reform. The review covers every aspect of the regime, including its impact on the international competitiveness of the UK. Previous reviews of the SMCR have been more limited in scope. The Group submitted a response to both papers.

Systems and Controls Sourcebook (SYSC)

Provisions relating to the requirement to manage risks in general and details relating to management of particular types of risk are set out in the PRA Rulebook and in SYSC of the FCA Handbook. There are rules in SYSC which elaborate on the Principles for Business and aim to encourage senior managers and directors to take appropriate practical responsibility for an insurer's affairs. Other rules in SYSC are intended to ensure that, among other things:

- the insurer's employees have suitable skills, knowledge and expertise;
- the insurer has in place appropriate risk management systems and controls; and
- the insurer has in place appropriate compliance, record-keeping and audit systems.

Change of control of authorised firms

The FCA and PRA also regulate the acquisition and increase of control over authorised firms. Under FSMA, any person proposing to acquire control of, or increase (or decrease) control over, an authorised firm must first, in the case of an acquisition or increase of control, obtain the consent of the FCA and, if necessary, the

PRA or, in the case of a decrease of control, notify the relevant regulator(s). In relation to dual regulated firms, such as the Phoenix Life Companies and the ReAssure Life Companies, approval to the change of control is sought from the PRA who will consult with the FCA. In considering whether to grant or withhold its approval to the change of control, the FCA and PRA must be satisfied both that the acquirer is a fit and proper person and that the interests of consumers would not be threatened by its acquisition of, or increase in, control.

A person ("A"), will acquire control (in accordance with Section 181 FSMA, and be a "controller") of an authorised person ("B") if they hold:

- (a) 10 per cent. or more of the shares in B or a parent undertaking of B ("P");
- (b) 10 per cent. or more of the voting power in B or P; or
- (c) shares or voting power in B or P, as a result of which A is able to exercise significant influence over the management of B.

In order to determine whether person A or a group of persons is a controller, the holdings (shares or voting rights) of A and other persons acting in concert with A (pursuant to an explicit or implicit agreement between them), if any, are aggregated.

A person ("A") will be treated as increasing (or decreasing) his control over an authorised firm ("B"), requiring prior approval from (or in the case of a decrease, notification to) the FCA (and PRA, if appropriate) if:

- (a) the level of his percentage shareholding or voting power in B or P crosses the 20 per cent., 30 per cent. or 50 per cent. threshold; or
- (b) if A becomes a parent undertaking of B.

A person ("A") will cease to have control over an authorised person ("B") if A ceases to be in the position of holding:

- (a) 10 per cent. or more of the shares in B or in a parent undertaking of B ("P");
- (b) 10 per cent. or more of the voting power in B or P; or
- (c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B.

Intervention and enforcement

The FCA and PRA have extensive powers to intervene in the affairs of an authorised firm and monitor compliance with their objectives, including withdrawing a firm's authorisation, prohibiting individuals from carrying on regulated activities, suspending firms or individuals from undertaking regulated activities and fining firms or individuals who breach their rules.

The FCA can also sanction persons who commit market abuse. In addition to its ability to apply sanctions for market abuse and other civil penalties, the FCA has the power to institute criminal proceedings, including for certain criminal offences under:

- FSMA or any statutory instruments made under it (with the exception of certain provisions for which the PRA is the relevant regulator);
- the Financial Services Act 2012;
- the insider dealing provisions of the Criminal Justice Act 1993; and

- certain provisions contained in anti-money laundering and counter-terrorist financing legislation.

The FCA has indicated that it is prepared to prosecute more cases in the criminal courts where appropriate.

The FCA and PRA may also vary or revoke a firm's permission to carry on regulated activities for reasons including (i) if it is desirable to protect the interests of consumers or potential consumers; (ii) if the firm has not engaged in regulated activity for 12 months; or (iii) if it is failing to meet the threshold conditions for authorisation. The FCA and PRA have further powers to apply to the High Court in England and Wales (the "**Court**") for injunctions against authorised persons and to impose or seek restitution orders where persons have suffered loss. Once the FCA and PRA have made a decision in respect of an authorised firm or an individual, the person affected may refer the matter to the Upper Tribunal (Tax and Chancery Chamber). Breaches of certain FCA and PRA rules by an authorised firm may also give a private person, who suffers loss as a result of the breach, a right of action against the authorised firm for damages.

The FCA and PRA, although not creditors, may seek administration orders under the Insolvency Act 1986 (as amended), present a petition for the winding-up of an authorised firm or have standing to be heard in the voluntary winding-up of an authorised firm. It should be noted that insurers carrying on long term insurance business cannot voluntarily be wound up without the consent of the PRA. The FCA also has the ability to issue fines against firms who breach relevant competition laws.

FCA Conduct of Business Rules

The FCA's Conduct of Business Rules (the "**Conduct of Business Rules**") apply to every authorised firm carrying on regulated activities in the UK and regulate the day to day conduct of business standards to be observed by authorised persons in carrying on regulated activities. Whilst the FCA is primarily responsible for conduct regulation, the PRA will also seek to ensure that firms that it regulates conduct their business in a safe and sound manner.

The scope and range of obligations imposed on an authorised firm under the Conduct of Business Rules vary according to the nature of its business and the range of its clients. Generally speaking, however, the obligations imposed on an authorised firm by the Conduct of Business Rules will include the need to classify its clients according to their level of sophistication, provide them with information about the firm, meet certain standards of product disclosure, ensure that promotional material which it produces is clear, fair and not misleading, assess suitability when advising on certain products and managing portfolios, manage conflicts of interest and report appropriately to its clients.

The FCA's Supervision Manual contains specific requirements for insurers that have ceased to take on new business and are in run off. Equally some of the FCA Conduct of Business Rules, for example in relation to the sale of new policies, have no relevance to such companies.

Operational Objectives and Consumer Outcomes

The FCA has three operational objectives: (i) to secure an appropriate degree of protection for consumers; (ii) to protect and enhance the integrity of the UK financial system; and (iii) to promote effective competition in the interests of consumers.

The first objective is central to the FCA's expectation of a firm's conduct and is underpinned by six Treating Customers Fairly outcomes: (i) consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture; (ii) products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly; (iii) consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale; (iv) where consumers receive advice, the advice is suitable and takes account of their circumstances; (v) consumers are provided with products that perform as firms have led them to expect, and

the associated service is of an acceptable standard and as they have been led to expect; and (vi) consumers do not face unreasonable post sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

The PRA also has three operational objectives: (i) a general objective to promote the safety and soundness of the firms it regulates, focussing on the adverse effects they can have on the stability of the UK financial system; (ii) an objective specific to insurance firms, to contribute to ensuring that policyholders are appropriately protected; and (iii) to promote effective competition in the markets for services provided by PRA-authorized firms.

As part of its Future Regulatory Framework Review, the UK government has proposed introducing a new statutory objective for both the FCA and PRA requiring them to act in a way which facilitates the long-term growth and international competitiveness of the UK economy (including the financial services sector).

Consumer duty

On 27 July 2022, the FCA published final rules in a policy statement (PS 22/9) and finalised guidance (FG 22/5) which introduce a new "Consumer Duty" on firms that provide services to retail clients. In summary the duty requires relevant firms to ask themselves what outcomes consumers should be able to expect from their products and services, act to enable rather than hinder those outcomes and assess the effectiveness of their actions. The rules and guidance come into force on 31 July 2023 for new and existing products or services that are open to sale or renewal and on 31 July 2024 for closed products or services.

The Consumer Duty rules include:

- A new Principle 12: requirement to act to deliver good outcomes for retail clients.
- Cross-cutting rules that sit beneath the new Principle 12: act in good faith, avoid foreseeable harm, and support retail customers to pursue their financial objectives.
- Customer outcomes rules and guidance: these focus on products and services, price and value, consumer understanding and consumer support.

These will all sit in the "PRIN" (Principles for Business) section of the FCA Handbook.

The new Consumer Duty will overlap with existing Principles and outcomes relating to treating customers fairly and will, where it applies, result in the disapplication of Principles 6 (Customers' interests/Treating customers fairly) and 7 (Communications with clients). The FCA considers that everything that would have been required by Principles 6 and 7 is still required by the new Principle 12, but the new Principle 12 generally imposes a higher standard than Principles 6 and 7 would have otherwise required.

Prudential supervision

As set out above, in order to maintain authorised status under FSMA, a firm must continue to satisfy the threshold conditions for authorisation, which, among other things, require the firm to have adequate financial resources for the carrying on of its business. The FCA and PRA have published detailed rules relating to the maintenance of minimum levels of regulatory capital for insurance and investment businesses in the FCA Handbook and PRA Rulebook, respectively. For further information, see the paragraph headed "*Solvency II*" below.

The Financial Ombudsman Service ("FOS")

Authorised firms must have appropriate complaints handling procedures. However, once these procedures have been exhausted, qualifying complainants may turn to the FOS which is intended to provide speedy, informal and cost-effective dispute resolution of complaints made against authorised firms by individuals,

small and medium-sized business customers and some charities and trusts. The FOS is empowered to order firms to pay fair compensation for loss and damage and may order a firm to take such steps as it determines to be just and appropriate to remedy a complaint.

The Financial Services Compensation Scheme ("FSCS")

The FSCS is intended to compensate individuals, small businesses and certain other categories of customer for claims against a UK authorised firm where the authorised firm is unable or unlikely to be able to meet those claims (generally, when it is insolvent or has gone out of business). The scheme is also intended to promote confidence in the financial system by limiting the systemic risk that the failure of a single firm might trigger a wider loss of confidence in the relevant financial sector. The scheme covers banking, insurance, investment business and mortgage advice, reflecting the different kinds of business undertaken by authorised firms. It is funded primarily by levies on participating firms that consist of (i) a management expenses levy comprising a base costs levy that relates to the cost of running the FSCS each year and a specific cost for the running costs attributable to a specific funding class and (ii) a compensation costs levy which relates primarily to the costs incurred by the FSCS in paying compensation. Note that, in respect of SLIDAC and PLAE, there is not an equivalent Irish compensation scheme for life insurers authorised in Ireland.

Conduct of Business requirements for insurance business

The Conduct of Business Rules issued by the FCA apply differing requirements to the sale of (i) general insurance contracts and (ii) long term insurance contracts. Within (ii), more stringent requirements apply where the contract has an investment value or otherwise is a product which historically gave rise to mis-selling problems. Authorised firms which advise and sell packaged products (such as life insurance policies) are subject to detailed conduct of business obligations relating to product disclosure, assessment of suitability for private customers, the range and scope of the advice which the firm provides, and fee and remuneration arrangements.

Money Laundering and Financial Crime

The FCA has a duty to consider the importance of minimising the risk of the insurance companies that it regulates being used for financial crime. It therefore looks at measures an insurer takes to monitor, detect and prevent financial crime. This includes measures in respect of money laundering, terrorist financing, data security, bribery and corruption, fraud and sanctions breaches. The EU's Fourth Money Laundering Directive ("MLD4") sets out the EU's anti-money laundering and counter terrorist financing framework and was implemented in the UK on 26 June 2017. The EU authorities subsequently adopted a Fifth Money Laundering Directive ("MLD5") to clarify certain aspects of MLD4. MLD5 was transposed into UK law by way of the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (SI 2019/1511), the majority of which came into force on 10 January 2020.

Whistleblowing

In October 2015, the PRA and FCA published policy statements containing new rules in relation to whistleblowing by employees with respect to the conduct of their employers or others within their firm.

The rules apply to:

- insurance and reinsurance firms within the scope of Solvency II and the Society of Lloyd's and managing agents;
- PRA-designated investment firms; and
- UK deposit takers with assets of £250 million or more (including banks, building societies and credit unions).

Under the rules, such firms must:

- appoint a senior manager in accordance with the requirements of the SMCR who is a non-executive director to act as a “whistleblowers’ champion”. The whistleblowers’ champion is responsible for oversight of the firm’s whistleblowing policies and procedures, and for ensuring an annual report on whistleblowing is presented to the board and made available to the regulator;
- put internal arrangements in place to handle any type of disclosure by any person (including anonymous disclosures) as opposed to only those disclosures that currently fall within the scope of the Public Interest Disclosure Act 1998;
- put in place systems which protect confidentiality, allow for the escalation of concerns to the appropriate regulator, track the outcome of whistleblowing reports, provide feedback to whistleblowers and have measures in place to protect whistleblowers from victimisation;
- inform the FCA and the PRA if there is an unsuccessful judgment against the firm in an employment tribunal claim for whistleblowing and there are findings relating to a claim that the whistleblower was victimised;
- ensure that employees based in the UK are informed about the whistleblowing services offered by the PRA and the FCA and they can approach these regulators directly without first raising concerns with their employer; and
- ensure their appointed representatives and tied agents inform their own staff about the FCA and the PRA’s whistleblowing arrangements.

Insurance Distribution

The UK insurance distribution regime is derived in part from the EU’s Insurance Distribution Directive, which was transposed into UK law through legislation, regulations and FCA rules, including amendments to FSMA, Insurance Conduct of Business Sourcebook and Conduct of Business Sourcebook. Similarly to Solvency II, to the extent that on-shoring was necessary following the expiry of the Brexit transitional period, policy changes were not made except to the extent necessary to reflect the UK’s position outside of the EU.

The Insurance Distribution Directive is designed to improve the regulation of the retail insurance market and aims to ensure a level playing field between all participants involved in the sale of insurance products, and to strengthen policyholder protection. Key elements of the Insurance Distribution Directive include:

- extending the scope of the EU’s original insurance distribution regime to cover all sales of insurance products, whether by insurance intermediaries or insurance undertakings, including proportionate requirements for those who sell insurance products on an ancillary basis;
- identifying, managing and mitigating conflicts of interest;
- strengthening administrative sanctions, as well as measures to be applied in the event of a breach of key provisions;
- enhancing the suitability and objectiveness of insurance advice;
- mandatory disclosure at the pre-contractual stage by insurance intermediaries of the nature and basis (but not amount) of remuneration received; and
- ensuring that sellers’ professional qualifications match the complexity of the products that they sell.

With-profit business

The FCA and PRA have published a Memorandum of Understanding which sets out how the two regulators will co-operate in their supervision of insurers with policyholders who hold with-profits insurance policies. The FCA is responsible for satisfying itself that firms are behaving fairly in relation to the exercise of discretion whilst the PRA's focus is on ensuring that discretionary increases in liabilities do not adversely affect the insurer's ability to meet, and continue to meet, the PRA's standards for safety and soundness.

Actuarial functions

Every insurance company that is regulated under Solvency II must appoint one or more actuaries (external or in-house) to perform the "actuarial function" in respect of all classes of its long term insurance business. In addition, if it is regulated by the PRA and has any with-profit business, it must appoint one or more actuaries to perform the "with-profits actuary function" in respect of its with-profit business.

The FCA Handbook requires that an actuary appointed to perform the with-profits actuary function must, among other things: (i) advise the firm's management, at the level of seniority that is reasonably appropriate, on key aspects of the discretion to be exercised affecting those classes of the with-profits insurance business of the firm in respect of which the actuary has been appointed; (ii) advise the firm's governing body as to whether the assumptions used to calculate the future discretionary benefits within the firm's relevant technical provisions are consistent with the firm's Principles and Practices of Financial Management ("**PPFM**") in respect of those classes of the firm's with-profits insurance business; and (iii) at least once a year, report to the firm's governing body on key aspects (including those aspects of the firm's application of its PPFM on which the advice described has been given) of the discretion exercised in respect of the period covered by his report affecting those classes of with-profits insurance business of the firm. The FCA Handbook additionally requires that the firm's with-profits committee (or if appropriate with-profits advisory arrangement) work closely with and obtain the input of the with-profits actuary as appropriate, as well as assess the with-profits actuary's performance at least annually and report on the same to the Board of Directors.

Distribution of profits and with-profit business

The PRA Rulebook requires firms carrying on with-profits business to ensure that their distribution of profit strategies are affordable and sustainable and cannot reasonably be expected to have an adverse impact on the safety and soundness of the firm as a whole or on the benefit security of all policyholders of the firm. For further information, see the paragraph headed "*Solvency II*" below.

The FCA Handbook also contains provisions that are relevant to the distribution of profits particularly geared toward the need to treat policyholders fairly. It also mandates that firms carrying on with-profit business must:

- define and make publicly available the PPFM applied in their management of with-profit funds;
- ensure their governance arrangements offer assurance that they have managed their funds in line with the PPFM they have established and published;
- produce annual reports for with-profit policyholders on how they have complied with this obligation, including how they have addressed any competing or conflicting rights, interests or expectations of policyholders and, if applicable, shareholders;
- comply with (i) modified regulatory reporting requirements designed to achieve the PRA's objective of making directors and senior management more explicitly responsible for setting up technical provisions and other decisions taken on actuarial advice and (ii) new audit requirements for liabilities; and
- comply with consequential changes to certification in the insurance returns.

Transfers of insurance business

Any transfer of UK insurance business (as defined under FSMA) must be effected in accordance with Part VII of FSMA and relevant secondary legislation, which requires a scheme of transfer to be prepared and approved by the Court of Session in Scotland or the High Court in England and Wales (the "**Courts**"). Amongst other things, a report of an independent expert is required on the terms of the scheme, which would consider (amongst other things) whether the proposed transfer would be prejudicial to policyholders. The regulators also have an important role in scrutinising any Part VII transfers, including liaising with the independent expert and writing a report for the Court giving their views on the transfer. A Part VII scheme of transfer enables direct insurers and reinsurers to transfer all or part of their books of insurance business to another approved insurer by operation of law without the need for individual policyholder consents, although policyholders have the right to object to the proposed scheme at the Courts hearing. A scheme of transfer may also allow for the transfer of assets and other contracts related to the insurance business so as to give proper effect to the transfer. A transfer of insurance business means a transfer of insurance policies and should be distinguished from the change of control of a business effected by a transfer of shares in an insurance company.

Solvency II

Solvency II has applied since 1 January 2016. Consistent with the general approach to the onshoring of EU law, following the end of the Brexit transitional period on 31 December 2020, Solvency II has been retained in the UK in substantially complete form with policy changes only being made to the extent they are necessary to reflect the UK's position outside of the EU. The UK and EU rules may diverge further in future. Following a call for evidence and a quantitative impact study, HMT published a consultation paper on 28 April 2022 in which it proposed the relaxation of some of the capital requirements imposed on UK insurers (with some counter-balancing changes also proposed). On 17 November 2022, HMT published its response to the consultation, in which it proposed to legislate as necessary to introduce a number of reforms, including reducing the risk margin for life and non-life insurance business, increasing the risk sensitivity of the current fundamental spread approach and broadening the matching adjustment eligibility criteria. HMT has also proposed further measures which include (among other things) requiring insurers to participate in regular stress testing, requiring senior managers to attest to the sufficiency of their firm's fundamental spread, allowing firms to apply a higher fundamental spread where the standard allowance is insufficient and allowing the PRA to seek assurances on internal credit ratings and to require adjustments where appropriate. On 22 June 2023, HMT published a draft form of legislation which set out the UK government's intention to implement risk margin reforms by year end 2023. The UK government is also considering options to enable reforms to the matching adjustment (including fundamental spread) by June 2024 with the remainder of reforms coming into force by year end 2024. This draft has been made available for the purpose of early engagement and could be subject to further changes.

The main aim of the framework is to protect policyholders through establishing prudential requirements matched to the true risks of the business, taking into account other regulatory objectives of ensuring the financial stability of the insurance industry and stability of the markets. The approach is based on the concept of three pillars: quantitative requirements (the amount of regulatory capital an insurer should hold), qualitative requirements on undertakings such as risk management as well as supervisory activities; and enhanced disclosure and transparency requirements.

Solvency II contains rules covering, among other things:

- technical provisions against insurance and reinsurance liabilities;
- the valuation of assets and liabilities;

- the maintenance of an MCR and a higher and more risk sensitive SCR;
- what regulatory capital is eligible to cover technical provisions, the MCR and the SCR, and to what extent specific tiers of capital may so count;
- what regulatory capital or assets are to be treated as being restricted to specific uses and not therefore fungible or transferable across the firm's entire operations;
- to what extent a firm's internal regulatory capital models may be used to calculate the SCR;
- governance requirements including risk management processes;
- considerably expanded reporting requirements covering (i) matters to be reported privately to the firm's supervisor leading to a full supervisory review process and (ii) matters to be published in a "Solvency and Financial Condition Report";
- rules providing for the SCR to be supplemented by a "regulatory capital add on" in appropriate cases, the add on to be imposed by the relevant supervisor (the PRA in the case of UK firms and the CBI in the case of each of SLIDAC and PLAE);
- rules on insurance products which are linked to the value of specific property or indices; and
- the application of the above requirements across insurance groups.

As noted above, the UK rules generally replicate the EU rules other than in certain instances, such as the need to provide for with-profit funds in the context of long term insurance funds no longer being recognised under Solvency II. Under Solvency II, "ring fenced funds" are funds the assets of which may have a reduced capacity to fully absorb losses in other parts of the insurer on a going concern basis. The PRA rules implementing Solvency II contain a requirement that firms hold, within each of their with-profits funds, assets that are sufficient to meet the with-profits liabilities of such funds. The FCA rules use a definition of "with-profits fund surplus" in relation to Solvency II firms' with-profits business, being, in summary, the difference between the assets in the fund and the liabilities in the fund. Only the with-profits fund surplus may be distributed to policyholders and shareholders. The PRA has also stated in a supervisory statement that restrictions on assets and Own Funds resulting from the nature of, and regulatory regime for, with-profits insurance business in the UK will generally mean that each with-profits fund displays the characteristics of a ring fenced fund for the purposes of Solvency II. In the same supervisory statement, the PRA also notes that firms sometimes have support arrangements in place which seek to provide support to a with-profits fund from financial resources outside that fund; the final rules require that the terms of any such support arrangement be clarified and codified. In addition, depending on the facts or circumstances, the Board of Directors may apply capital management policies to control the distribution of capital.

Insurance companies and insurance groups require supervisory approval to use internal models to calculate their SCR (or specific risks or major business units within the SCR), as the PRA wants to ensure ongoing compliance with the Solvency II Internal model requirements. The process of obtaining that approval is a rigorous one involving a full review of the firm's governance arrangements and proof that the internal modelling is fully used within the firm's business. Once a firm's internal model has been approved, it must report internal model outputs using the PRA's templates, so that the PRA can supervise internal models on an ongoing basis. The PRA may also impose regulatory capital add-ons if it considers that the resultant regulatory capital requirement does not reflect the risk exposures of the relevant firm or insurance group. On 7 December 2015, PGH announced that the PRA had approved the Solvency II Internal Model application for PLHL and its subsidiaries. Since that announcement, approvals have been received to extend the model to include PGH and to include the acquired SunLife Embassy Business and Abbey Life. Effective 30 September 2021, the PRA has approved an agreed methodology and model to calculate the Group SCR for PGH pursuant

to Solvency II covering all insurance entities (excluding ReAssure entities, PLAE, SLIDAC and Sun Life Assurance Company of Canada entities).

Following completion of the ReAssure Acquisition, the ReAssure Companies have adopted the Standard Formula for the purpose of determining their capital under Solvency II. Eventually, the Group intends to extend the scope of its harmonised Internal Model to include the UK ReAssure Companies.

The technical implementation of Solvency II resulted in a significant increase in the technical provisions and regulatory capital requirements of certain of the Life Companies. However, these increases were mitigated to an extent by the introduction of transitional provisions, included in the Solvency II Directive, which are designed to ensure a smooth transition to the new regime. The PRA has approved applications by each of PLL, PLAL, SLAL and RAL to apply Transitional Measures on Technical Provisions. This allows for a transitional deduction on technical provisions based on the difference between the net technical provisions (and regulatory capital requirements in some circumstances) calculated in accordance with the Solvency II rules and that calculated in accordance with the previous regime. Transitional Measures on Technical Provisions are recalculated in certain circumstances.

It should be noted that SLIDAC and PLAE are authorised and regulated by the CBI. Consequently, the EU's version of the Solvency II framework (and any relevant Irish implementing provisions) is applied by the CBI, not the UK regulators. More generally, the prudential regulation of SLIDAC and PLAE is a matter for the CBI. As the CBI has approved SLIDAC's application for a Partial Internal Model to calculate its solo entity SCR, the solo entity SCR for SLIDAC has been calculated using the approved Partial Internal Model since 30 June 2022.

For further information, see also the risk factors entitled "*Risk Factors - Regulatory capital and other requirements may change*" and "*Risk Factors - The Group may become subject to regimes governing the recovery, resolution or restructuring of insurance companies*".

Data protection

The General Data Protection Regulation ("**GDPR**") which came into effect on 25 May 2018, regulates the processing of personal data. The regulation contains measures that seek to harmonise data protection procedures and enforcement across the EU. It binds on data controllers in all member states directly without the need for implementation by the member states. The penalties for breach of the regulation are substantial (up to 4 per cent. of annual worldwide turnover or €20m, whichever is greater).

The UK Data Protection Act 2018 ("**DPA 2018**") which replaced the Data Protection Act 1998, supports the GDPR in the UK. Following the end of the Brexit transition period, on 31 December 2020, an amended version of the GDPR (known as the UK GDPR) continues to apply in the UK in parallel with an amended version of the DPA 2018.

In Ireland, the GDPR is supported by the Data Protection Act 2018 which was signed into law on 24 May 2018, replacing its previous data protection framework established under the Data Protection Acts 1988 and 2003.

Germany adopted national legislation in response to the GDPR in a new version of the Federal Data Protection Act (the "**Bundesdatenschutzgesetz**"), which has become effective together with the GDPR on 25 May 2018. The German legislator has used the "opening clauses" of the GDPR that allow member states discretion to customise certain provisions to tighten or specify the rules over personal data of German citizens above and beyond what is required by the GDPR.

The Privacy and Electronic Communications (EC Directive) Regulations 2003 (the "**PECR**") is a UK law that implements the EU's Directive on Privacy and Electronic Communications (Directive 2002/58/EC) and sets

out privacy rights relating to electronic communications. The PECR is affected by the GDPR's rules on consent. Therefore, it is essential for organisations to ensure compliance with both the GDPR and PECR when sending out electronic marketing messages, using cookies or providing electronic communications services to the public. The PECR applies to:

- (i) electronic marketing, including telephone calls, SMS messages, emails and faxes;
- (ii) the use of website cookies to track visitors;
- (iii) the security of public electronic communications services; and
- (iv) the privacy of users of electronic communications services.

In March 2023, the UK government introduced the Data Protection & Digital Information (No. 2) Bill, which intends to make the GDPR more practicable and less burdensome in lower-risk situations, while maintaining high data protection standards. If this Bill is passed, the legislative process will culminate in a new Act in 2024, introducing changes to the DPA 2018 and PECR.

Thematic reviews

The PRA, FCA and CBI regularly carry out thematic or deep dive reviews and consultations on market activities which are relevant to the business of the Group. The regulators carry out these reviews, which are sector-wide, in respect of a theme, common issue or product type. The output and findings of each review, regardless of the Group's participation, are reviewed and assessed to ensure the Group is aligned in its regulatory approach.

Other regulatory systems

While most of the Group's activities are in the UK (and therefore solely within the scope of the UK regulatory system), the Group includes entities which operate outside the UK in a regulated environment. In particular, SLIDAC and PLAE are authorised and regulated by the CBI and as previously stated, the prudential and conduct regulation of SLIDAC and PLAE is a matter for the CBI and Irish law and regulation.

When policies are sold to policyholders situated in an EU state the regulation of that state may apply to the sale and administration of such policies, even though the transacting Group entity may be authorised and regulated in another jurisdiction. Members of the Group carry on business in other EU member states under EU-wide passporting rights. Of particular note is SLIDAC, which operates the Group's German business, and therefore certain of its activities are subject to German regulation. Although those entities using passporting rights do not need to be authorised in each of the EU member states in which they carry on activities within the scope of those rights, such entities are required to comply with certain local laws and regulatory requirements, for example in respect of conduct of business rules, in relation to certain activities carried on in those countries. As a result, the law and regulation of various EU member states applies to the activities of certain members of the Group when they are dealing with customers in EU states.

Passporting and Brexit

The UK's departure from the EU on 31 January 2020 resulted in a loss of EEA passporting rights for UK authorised firms, including PLL and ReAssure, following the end of the Brexit transition period on 31 December 2020.

The Group has taken steps to ensure continuity of service for customers in each EEA member state. On 1 January 2023, the Group completed the transfer of PLL's Irish, German and Icelandic policies to a new Irish subsidiary, PLAE and the transfer of RAL's German, Norwegian and Swedish policies to PLAE.

For further information, see "*Risk Factors – Risks relating to the Group – Economy and Financial Markets – The Group's business is subject to risks arising from economic conditions in the UK and other markets in*

which it operates or in which its and its policyholders' investments are invested and from risks arising from the UK's exit from the EU, also known as "Brexit", and any possible future further referendum on Scottish independence".

TAXATION

The following is a general description of certain UK tax considerations relating to the Notes or Coupons, as well as a description of FATCA. It does not purport to be a complete analysis of all tax considerations relating to the Notes or Coupons whether in the UK, the US or elsewhere. It relates to the position of persons who are the absolute beneficial owners of the Notes or Coupons and some aspects do not apply to certain classes of taxpayer (such as dealers and Noteholders who are connected or associated with the Issuer for relevant tax purposes). The statements in this section do not constitute tax or legal advice. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Investors should also note that the appointment by an investor in Notes or Coupons, or any person through which an investor holds Notes or Coupons, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

United Kingdom

General

The comments in this part are of a general nature and are not intended to be exhaustive. They are based on current United Kingdom ("UK") tax law as applied in England and Wales and published HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs). They assume that there will be no substitutions of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions). They relate only to the UK withholding tax treatment of payments of interest (as that term is understood for UK tax purposes, disregarding any different definitions which may prevail under any other law or which may be created by the Conditions or any related documentation) in respect of Notes. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to tax may have an impact on the tax consequences of an investment in the Notes including in respect of any income received on the Notes. Noteholders who may be unsure as to their tax position should seek their own professional advice.

Interest on the Notes

Payment of interest on the Notes by the Issuer which have a UK source may be made by the Issuer without deduction of or withholding on account of UK income tax provided that the Notes carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007, or are and continue to be admitted to trading on a multilateral trading facility operated by a UK or EEA-regulated recognised stock exchange, within the meaning of Sections 987 and 1005 of that Act. The London Stock Exchange is a recognised stock exchange for these purposes. Notes 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 6 of the FSMA) by the United Kingdom Financial Conduct Authority and are admitted to trading on the London Stock Exchange.

Payments of interest on Notes may be made without deduction of or withholding on account of UK tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes which have a UK source on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs under domestic law. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

FATCA Withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a "foreign financial institution" (including an intermediary through which the Notes are held) may be required to withhold at a rate of 30 per cent. on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of these rules 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, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments 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. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Summary of Programme Agreement

Subject to the terms and on the conditions contained in a Programme Agreement dated 24 June 2019 as most recently amended and restated on 30 June 2023 (the "**Programme Agreement**") between the Issuer and the Arranger, the Notes will be offered by the Issuer to the relevant Dealer(s). 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(s). The Notes may also be sold by the Issuer through the relevant Dealer(s), acting as agent(s) 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 will 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 of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with any relevant 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.

Selling Restrictions

U.S.

The Arranger has acknowledged, and each Dealer appointed under the Programme Agreement will be required to acknowledge that, 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 U.S. 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 meaning 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 U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax 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 thereunder.

The Arranger has agreed that, and each Dealer appointed under the Programme Agreement will be required to agree that, except as permitted by the Programme Agreement, it will not offer or sell or, in the case of Bearer Notes, deliver Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable tranche of which such Notes are a part within the U.S. 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 forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the U.S. by any Dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

UK

Regulatory Restrictions

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

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

Prohibition of sales to UK Retail Investors

Unless (in the case of the Senior Notes) the Final Terms in respect of any Notes (or Pricing Supplement, in the case of PR Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", the Arranger has represented and agreed, and each Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, in the case of PR Exempt Notes) in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction under the UK Prospectus Regulation

If (in the case of the Senior Notes) the Final Terms (or Pricing Supplement, in the case of PR Exempt Notes) in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", the Arranger has represented and agreed, and each 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 which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, in the case of PR Exempt Notes) in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means the Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA.

EEA

Prohibition of Sales to EEA Retail Investors

Unless (in the case of the Senior Notes) the Final Terms in respect of any Notes (or Pricing Supplement, in the case of PR Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", the Arranger has represented and agreed, and each Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, in the case of PR Exempt Notes) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction under the Prospectus Regulation

If (in the case of the Senior Notes) the Final Terms (or Pricing Supplement, in the case of PR Exempt Notes) in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each EEA member state, the Arranger has represented and agreed, and each 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 which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms

(or Pricing Supplement, in the case of PR Exempt Notes) in relation thereto to the public in that EEA member state except that it may make an offer of such Notes to the public in that EEA member state:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any EEA member state means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

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, the Arranger has represented and agreed and each Dealer appointed under the Programme will be required to represent and agree that, save as set out below, it has not offered, sold or distributed, and will not offer, sell or distribute any Notes or any copy of this Prospectus or any other offer document in the Republic of Italy ("**Italy**") in an offer to the public and that sales of any Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, the Arranger has represented and agreed and each Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or distribute any Notes or distribute any copy of this Prospectus or any other offer document in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Italian laws and regulations; or
- (b) in any other circumstances which are exempted from the rules on offers to the public pursuant to Article 1 of the Prospectus Regulation and/or, to the extent applicable, Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Consolidated Financial Services Act**"), Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**CONSOB Regulation No. 11971**") and the Italian laws.

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

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Italian Banking Act, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and 2 November 2020); and

- (iii) in compliance with any other applicable laws and regulations, as well as with any regulations or requirements imposed by CONSOB, the Bank of Italy or other Italian authority.

In accordance with the Consolidated Financial Services Act and the Prospectus Regulation, concerning the circulation of financial products, where no exemption from the rules on offers of securities to the public applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the offer to the public and the prospectus requirement rules provided under the Prospectus Regulation, the Consolidated Financial Services Act and CONSOB Regulation No. 11971. Furthermore, Article 100-bis of the Consolidated Financial Services Act affects the transferability of the Notes in Italy to the extent that any placing of the Notes is made solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with the Prospectus Regulation has not been published, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Prospectus Regulation or the Consolidated Financial Services Act applies.

France

The Arranger has represented and agreed and each Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, 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, in the case of PR Exempt Notes) or any other offering material relating to the Notes, and such offers, sales and distributions have been and shall only be made in France to (i) providers of 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 (ii) 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*.

Switzerland

The Arranger has represented and agreed and each Dealer appointed under the Programme will be required to represent and agree that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, for example, the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

Hong Kong

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571) of the Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Chapter 32) of the Hong Kong (Winding Up and Miscellaneous Provisions) (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) 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 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.

Singapore

The Arranger has acknowledged and each Dealer appointed under the Programme will be required to acknowledge, that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, the Arranger has represented and agreed, and each Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes, or caused the Notes to be made the subject of an invitation for subscription or purchase, and 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:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;
- (b) 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
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (i) 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
- (ii) 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:

- (A) to an institutional investor or to a relevant person defined, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (B) where no consideration is or will be given for the transfer;
- (C) where the transfer is by operation of law;
- (D) as specified in Section 276(7) of the SFA; or
- (E) as specified in Regulation 37A of the Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of 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).

General

These selling restrictions may be modified by the agreement of the Issuer, the Arranger and any Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms or Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No action has been or will be taken in any country or any jurisdiction by the Arranger, any Dealers or the Issuer that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering or publicity material relating to any of the Notes, in any country or jurisdiction where action for that purpose is required. The Arranger has agreed, and each Dealer appointed under the Programme will be required to agree that, it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee, the Arranger or any Dealer shall have any responsibility therefor.

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

With regard to each Tranche, the Arranger and each Dealer appointed under the Programme will be required to comply with any additional restrictions agreed between the Issuer, the Arranger and the relevant Dealer.

FORM OF FINAL TERMS FOR SENIOR NOTES

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below.

Final Terms dated [●]

Phoenix Group Holdings plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £5,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS FOR SENIOR NOTES

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer['s/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. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU, as amended, "**MiFID II**" / MiFID II]; or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the "**Conditions**") set forth in the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.]

[OR]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the "**Conditions**") contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated 30 June 2023 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation] and must be read in conjunction with the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Conditions, these Final Terms and the Prospectus dated 30 June 2023 [as so supplemented]. The Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.]

1	Issuer:	Phoenix Group Holdings plc
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
3	Specified Currency or Currencies:	[●]

4	Aggregate Nominal Amount of Notes admitted to trading:	
	(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:	[●]
8	Maturity Date:	[[●]/The Interest Payment Date falling in or nearest to [●]]
9	Interest Basis:	[[●] per cent. Fixed Rate/ Fixed to Floating Rate Notes/ Fixed Rate Reset Notes/ [[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR] +/-[●] per cent. Floating Rate/Zero Coupon]
10	Change of Interest Basis:	[●]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
11	Redemption Basis:	[Redemption at par]
12	Put/Call Options:	[Investor Put] [Issuer Call]
13	(i) Status of the Notes:	Senior Notes
	(ii) [Date [Board] approval for issuance of Notes obtained:	[[●]/Not Applicable, save as discussed in [Paragraph 2] of the " <i>General Information</i> " section in the Prospectus]
	(iii) Insurance Group Parent Entity Automatic Substitution:	[Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [●] to, but excluding, [●] (the " Fixed Rate End Date ")]
	(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 [adjusted in accordance with paragraph 14(vii)/not subject to adjustment]/[commencing on [●] to and including [●]]
	(iii) Fixed Coupon Amount[(s)] (Definitive Notes only):	[●] per Calculation Amount
	(iv) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]/[●]]

(v)	Day Count Fraction:	[["Actual/Actual"/ "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "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/Modified Following Business Day Convention/Preceding Business Day Convention/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)	Reset Margin:	[+/-][●] per cent. per annum
(iii)	Interest Payment Date(s):	[●] in each year
(iv)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Note Reset Date (Definitive Notes only):	[●] per Calculation Amount
(v)	Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]
(vi)	First Reset Note Reset Date:	[●]
(vii)	Anniversary Date(s):	[●] [and each corresponding day and month falling [●] years thereafter]
(viii)	Reset Determination Dates:	[●]
(ix)	Reset Rate:	[[semi-annual][annualised]Mid-Swap Rate] / [Benchmark Gilt Rate]/[CMT Rate]
(x)	First Reset Period Fallback;	[●]
(xi)	Benchmark Gilt[s]:	[●]/[●]/[Not Applicable]
(xii)	Benchmark Frequency:	[●]
(xiii)	CMT Designated Maturity:	[●]
(xiv)	CMT Rate Screen Page:	[●]
(xv)	Swap Rate Period:	[[●]/Not Applicable]
(xvi)	Screen Page:	[●] / [Not Applicable]
(xvii)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
(xviii)	Floating Leg:	[[3]/[6]/[●]-month [EURIBOR]/[●] rate calculated on an [Actual/365]/[Actual/360]/[●] day count basis]/[Not

		Applicable]
	(xix) Day Count Fraction:	["Actual/Actual"/"Actual/Actual- ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
	(xx) Determination Dates:	[[●] in each year/Not Applicable]
16	Floating Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including the Fixed Rate End Date to, but excluding, [●]]
	(i) Specified Period(s):	[●/Not Applicable]
	(ii) Specified Interest Payment Dates:	[●/Not Applicable]
	(iii) Interest Period Date:	[Not Applicable]/[●] in each year [,subject to adjustment in accordance with the Business Day Convention set out below]/[, not subject to adjustment]
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(v) Additional 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) (if not the Issuing and Paying Agent):	[●]
	(viii) Screen Rate Determination:	
	– Reference Rate:	[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]
	– Quotations:	[Offered quotation/Arithmetic mean of offered quotations/Not Applicable]
	– Reference Bank(s):	[●]/[Condition 4(1) applies]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Index Determination:	[Applicable/Not Applicable]
	– Observation Method:	[Lag/Observation Shift/Lock-out/Not Applicable]
	– p:	[●]
		<i>(NB: A minimum of 5 relevant business/banking days should be specified, unless otherwise agreed with the Calculation Agent)</i>
	– D:	[360]/[●]/[Not Applicable]

	– Relevant Number:	[5]/ [●]/[Not Applicable]
	– Relevant Fallback Screen Page:	[●]
	– Number of Decimal Places for Rounding:	[5]/[●]/[Not Applicable]
(ix)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	["Actual/Actual" / "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual 360"/ "Actual/365 (Sterling)" / "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
(xv)	SOFR Benchmark Replacement:	[Applicable]/[Not Applicable]
(xvi)	ISDA Definitions (for the purposes of Condition 4(n)(v)):	[2006 ISDA Definitions]/[2021 ISDA Definitions]
17	Zero Coupon Note Provisions:	[Applicable/Not Applicable]
	(i) Amortisation Yield:	[[●] per cent. per annum] / [Not Applicable]
	(ii) Day Count Fraction:	["Actual/Actual"/ "Actual/Actual – ISDA"/ "Actual/Actual Method"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual – ICMA"]

PROVISIONS RELATING TO REDEMPTION

18	Call Option:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount

- (iv) Notice period: [●]
- 19 **Clean-up Call Option:** [Applicable/Not Applicable]
Optional Redemption Amount(s) of [●] per Calculation Amount
each Note:
- 20 **Put Option:** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) [●] per Calculation Amount
of each Note and method, if any,
of calculation of such amount(s):
- (iii) Notice period: [●]
- 21 **Early Redemption Amount**
- Early Redemption Amount(s) per [●]
Calculation Amount payable on
redemption for taxation reasons or on
event of default or other early
redemption:
- 22 Final Redemption Amount of each [[●] per Calculation Amount]/[Not Applicable]
Note:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23 **Relevant Benchmark[s]** [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmark Regulation]/[Not Applicable]
- 24 **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:**
[Regulation S Global Note (U.S.\$/€[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a

common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]].

- | | | |
|----|--|---|
| 25 | New Global Note (Bearer Notes): | [Yes] [No] |
| 26 | Global Certificates (Registered Notes): | [Yes] [No] |
| 27 | New Safekeeping Structure (Registered Notes): | [Yes] [No] |
| 28 | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | [Not Applicable/[•]] |
| 29 | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes] / [No] [As the Notes have more than 27 Coupons, Talons will be attached.] |

DISTRIBUTION

- | | | |
|----|---|--|
| 30 | U.S. selling restrictions: | [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable] |
| 31 | Additional selling restrictions: | [Not Applicable] |
| 32 | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] |
| 33 | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable] |

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 for the Notes to be admitted to trading on [the London Stock Exchange] with effect from [●].]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:

[Fitch Ratings: [●]]

[S&P: [●]]

[Moody's: [●]]

[[●] [is/is not] established in the UK and [is/is not] registered under Regulation (EU) No 1060/2009, as it forms part of domestic law by virtue of the EUWA.]

[If ratings assigned/to be assigned to the Notes are set out, include here a brief explanation of the meaning of such ratings]

3 [ESTIMATED TOTAL EXPENSES]

Estimated total expenses: [●]

4 ESTIMATED NET PROCEEDS

Estimated net proceeds: [●]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[[●]/"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

6 [Fixed Rate Notes only – YIELD

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [SONIA/SOFR/EURIBOR] rates can be obtained from [Reuters]/[●].]

8 OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

CFI Code: [See/[[include code], as updated, as set out on] the website of the Association of National Numbering

	Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[Not Applicable/[•]]
Names and addresses of additional Paying Agent(s) (if any):	[•]
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 recognized as eligible collateral for Eurosystem monetary policy and intraday 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 intraday 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.]]

FORM OF FINAL TERMS FOR TIER 3 NOTES

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

Phoenix Group Holdings plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £5,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS FOR TIER 3 NOTES

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET: Solely for the purposes of [the/each] manufacturer['s/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. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU, as amended, "**MiFID II**" / MiFID II]; or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 3 Notes (the "**Conditions**") set forth in the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.]

[OR]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 3 Notes (the "**Conditions**") contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated 30 June 2023 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation] and must be read in conjunction with the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Conditions, these Final Terms and the Prospectus dated 30 June 2023 [as so supplemented]. The Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.]

- | | | |
|---|--|----------------------------|
| 1 | Issuer: | Phoenix Group Holdings plc |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| 3 | Specified Currency or Currencies: | [●] |

4	Aggregate Nominal Amount of Notes admitted to trading:	
	(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:	[●]
8	Maturity Date:	[[●]/The Interest Payment Date falling in or nearest to [●]]
9	Interest Basis:	[[●] per cent. Fixed Rate]/[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR] +/- [●] per cent. Floating Rate]/ [Fixed Rate Reset Notes]/ [Fixed to Floating Rate Notes]
10	Redemption Basis:	[Redemption at par]/[Not Applicable]
11	Change of Interest Basis:	[●]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
12	Call Options:	[Issuer Call]
13	(i) Status of the Notes:	Tier 3 Notes
	(ii) [Date [Board] approval for issuance of Notes obtained:	[[●]/Not Applicable, save as discussed in [Paragraph 2] of the "General Information" section in the Prospectus]
	(iii) Insurance Group Parent Entity Automatic Substitution:	[Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [●] to, but excluding, [●] (the "Fixed Rate End Date")]
	(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 [adjusted in accordance with paragraph 15(vii)/not subject to adjustment]/[commencing on [●] to and including [●]]
	(iii) Fixed Coupon Amount[(s)] (Definitive Notes only):	[●] per Calculation Amount
	(iv) Broken Amount(s) (Definitive	[[●] per Calculation Amount payable on the Interest

	Notes only):	Payment Date falling [in/on] [●]/[●]
(v)	Day Count Fraction:	[["Actual/Actual"/ "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "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/Modified Following Business Day Convention/Preceding Business Day Convention/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)	Reset Margin:	[+/-][●] per cent. per annum
(iii)	Interest Payment Date(s):	[●] in each year
(iv)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Note Reset Date (Definitive Notes only):	[●] per Calculation Amount
(v)	Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]
(vi)	First Reset Note Reset Date:	[●]
(vii)	Anniversary Date(s):	[●] [and each corresponding day and month falling [●] years thereafter]
(viii)	Reset Determination Dates:	[●]
(ix)	Reset Rate:	[[semi-annual][annualised]Mid-Swap Rate] / [Benchmark Gilt Rate]/[CMT Rate]
(x)	First Reset Period Fallback:	[●]
(xi)	Benchmark Gilt[s]:	[●]/[●]/[Not Applicable]
(xii)	Benchmark Frequency:	[●]
(xiii)	CMT Designated Maturity:	[●]
(xiv)	CMT Rate Screen Page:	[●]
(xv)	Swap Rate Period:	[●]/Not Applicable]
(xvi)	Screen Page:	[●] / [Not Applicable]
(xvii)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
(xviii)	Floating Leg:	[[3]/[6]/[●]-month EURIBOR]/[●] rate calculated on an

		[Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable]
	(xix) Day Count Fraction:	["Actual/Actual"/"Actual/Actual- ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
	(xx) Determination Dates:	[[●] in each year/Not Applicable]
16	Floating Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including the Fixed Rate End Date to, but excluding, [●]]
	(i) Specified Period(s):	[●/Not Applicable]
	(ii) Specified Interest Payment Dates:	[●/Not Applicable]
	(iii) Interest Period Date:	[Not Applicable]/[●] in each year [,subject to adjustment in accordance with the Business Day Convention set out below]/[, not subject to adjustment]
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(v) Additional 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) (if not the Issuing and Paying Agent):	[●]
	(viii) Screen Rate Determination:	
	– Reference Rate:	[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]
	– Quotations:	[Offered quotation/Arithmetic mean of offered quotations/Not Applicable]
	– Reference Bank(s):	[●]/[Condition 4(j) applies]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Index Determination:	[Applicable/Not Applicable]
	– Observation Method:	[Lag/Observation Shift/Lock-out/Not Applicable]
	– p:	[●]
		<i>(NB: A minimum of 5 relevant business/banking days should be specified, unless otherwise agreed with the Calculation Agent)</i>

–	D:	[360]/[●]/[Not Applicable]
–	Relevant Number:	[5]/ [●]/[Not Applicable]
–	Relevant Fallback Screen Page:	[●]
–	Number of Decimal Places for Rounding:	[5]/[●]/[Not Applicable]
(ix)	ISDA Determination:	
–	Floating Rate Option:	[●]
–	Designated Maturity:	[●]
–	Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	["Actual/Actual" / "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
(xv)	SOFR Benchmark Replacement:	[Applicable]/[Not Applicable]
(xvi)	ISDA Definitions (for the purposes of Condition 4(l)(v)):	[2006 ISDA Definitions]/[2021 ISDA Definitions]

PROVISIONS RELATING TO REDEMPTION

17	Capital Replacement End Date:	[●]
18	Call Option:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[●]
19	Clean-up Call Option:	[Applicable/Not Applicable]
	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
20	Ratings Methodology Call:	[Applicable/Not Applicable]
21	Final Redemption Amount of each Note:	[[●] per Calculation Amount]/[Not Applicable]
22	Special Redemption Price:	
	(i) in respect of a Capital	[●] per Calculation Amount

Disqualification Event redemption:

(ii) in respect of a redemption for taxation reasons: [●] per Calculation Amount

(iii) in respect of a Ratings Methodology Event redemption: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23 **Relevant Benchmark[s]** [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmark Regulation]/[Not Applicable]

24 **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:

[Regulation S Global Note (U.S.\$/€[●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]

25 **Global Certificates (Registered Notes):** [Yes] [No]

26 **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** [Not Applicable/[●]]

27 **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes] [No] [As the Notes have more than 27 Coupons, Talons will be attached.]

DISTRIBUTION

28 **U.S. selling restrictions:** [Reg. S Compliance Category 2; TEFRA C/TEFRA

29 **Additional selling restrictions:**

D/TEFRA Not Applicable]

[Not Applicable]

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 for the Notes to be admitted to trading on [the London Stock Exchange] with effect from [●].]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:
[Fitch Ratings: [●]]
[S&P: [●]]
[Moody's: [●]]
[[●] [is/is not] established in the UK and [is/is not] registered under Regulation (EU) No 1060/2009, as it forms part of domestic law by virtue of the EUWA.]
[If ratings assigned/to be assigned to the Notes are set out, include here a brief explanation of the meaning of such ratings]

3 [ESTIMATED TOTAL EXPENSES]

Estimated total expenses: [●]

4 ESTIMATED NET PROCEEDS

Estimated net proceeds: [●]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[[●]/ "Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

6 [Fixed Rate Notes only - YIELD

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [SONIA/SOFR/EURIBOR] rates can be obtained from [Reuters]/[●].]

8 OPERATIONAL INFORMATION

ISIN Code: [●]
Common Code: [●]
CFI Code: [See/[[include code], as updated, as set out on] the website of the Association of National Numbering

	Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[Not Applicable/[•]]
Names and addresses of additional Paying Agent(s) (if any):	[•]
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 recognized as eligible collateral for Eurosystem monetary policy and intraday 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 intraday 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.]]

FORM OF FINAL TERMS FOR TIER 2 NOTES

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

Phoenix Group Holdings plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £5,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS FOR TIER 2 NOTES

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer['s/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. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU, as amended, "**MiFID II**" / MiFID II]; or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 2 Notes (the "**Conditions**") set forth in the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●]] which [together] constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.]

[OR]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 2 Notes (the "**Conditions**") contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated 30 June 2023 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**")]/[the UK Prospectus Regulation] and must be read in conjunction with the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Conditions, these Final Terms and the Prospectus dated 30 June 2023 [as so supplemented]. The Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.]

- | | | |
|---|--|----------------------------|
| 1 | Issuer: | Phoenix Group Holdings plc |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| 3 | Specified Currency or Currencies: | [●] |

4	Aggregate Nominal Amount of Notes admitted to trading:	
	(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:	[●]
8	Maturity Date:	[[●]/The Interest Payment Date falling in or nearest to [●]]/[Not Applicable]
9	Interest Basis:	[[●]per cent. Fixed Rate]/ [[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR] +/-[●] per cent. Floating Rate]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
10	Redemption Basis:	[Redemption at par]/[Not Applicable]
11	Change of Interest Basis:	[●]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
12	Call Options:	[Issuer Call]
13	(i) Status of the Notes:	Tier 2 Notes
	(ii) [Date [Board] approval for issuance of Notes obtained:	[[●]/Not Applicable, save as discussed in [Paragraph 2] of the " <i>General Information</i> " section in the Prospectus]
	(iii) Insurance Group Parent Entity Automatic Substitution:	[Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [●] to, but excluding, [●] (the " Fixed Rate End Date ")]
	(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 [adjusted in accordance with paragraph 15(vii)/not subject to adjustment]/[commencing on [●] to and including [●]]
	(iii) Fixed Coupon Amount[(s)] (Definitive Notes only):	[●] per Calculation Amount
	(iv) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]]/[●]

(v)	Day Count Fraction:	[["Actual/Actual"/ "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "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/Modified Following Business Day Convention/Preceding Business Day Convention/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)	Reset Margin:	[+/-][●] per cent. per annum
(iii)	Interest Payment Date(s):	[●] in each year
(iv)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Note Reset Date (Definitive Notes only):	[●] per Calculation Amount
(v)	Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]
(vi)	First Reset Note Reset Date:	[●]
(vii)	Anniversary Date(s):	[●] [and each corresponding day and month falling [●] years thereafter]
(viii)	Reset Determination Dates:	[●]
(ix)	Reset Rate:	[[semi-annual][annualised]Mid-Swap Rate] / [Benchmark Gilt Rate]/[CMT Rate]
(x)	First Reset Period Fallback;	[●]
(xi)	Benchmark Gilt[s]:	[●]/[●]/[Not Applicable]
(xii)	Benchmark Frequency:	[●]
(xiii)	CMT Designated Maturity:	[●]
(xiv)	CMT Rate Screen Page:	[●]
(xv)	Swap Rate Period:	[●]/Not Applicable]
(xvi)	Screen Page:	[●] / [Not Applicable]
(xvii)	Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
(xviii)	Floating Leg:	[[3]/[6]/[●]-month EURIBOR]/[●] rate calculated on an [Actual/365]/[Actual/360]/[●] day count basis]/[Not

		Applicable]
	(xix) Day Count Fraction:	["Actual/Actual"/"Actual/Actual- ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
	(xx) Determination Dates:	[[●] in each year/Not Applicable]
16	Floating Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including the Fixed Rate End Date to, but excluding, [●]]
	(i) Specified Period(s):	[●/Not Applicable]
	(ii) Specified Interest Payment Dates:	[●/Not Applicable]
	(iii) Interest Period Date:	[Not Applicable]/[●] in each year [,subject to adjustment in accordance with the Business Day Convention set out below]/[, not subject to adjustment]
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(v) Additional 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) (if not the Issuing and Paying Agent):	[●]
	(viii) Screen Rate Determination:	
	– Reference Rate:	[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]
	– Quotations:	[Offered quotation/Arithmetic mean of offered quotations/Not Applicable]
	– Reference Bank(s):	[●]/[Condition 4(j) applies]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Index Determination:	[Applicable/Not Applicable]
	– Observation Method:	[Lag/Observation Shift/Lock-out/Not Applicable]
	– p:	[●]
		<i>(NB: A minimum of 5 relevant business/banking days should be specified, unless otherwise agreed with the Calculation Agent)</i>
	– D:	[360]/[●]/[Not Applicable]

	– Relevant Number:	[5]/ [●]/[Not Applicable]
	– Relevant Fallback Screen Page:	[●]
	– Number of Decimal Places for Rounding:	[5]/[●]/[Not Applicable]
(ix)	ISDA Determination	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	["Actual/Actual" / "Actual/Actual - ISDA" / "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
(xv)	SOFR Benchmark Replacement:	[Applicable]/[Not Applicable]
(xvi)	ISDA Definitions (for the purposes of Condition 4(l)(v)):	[2006 ISDA Definitions]/[2021 ISDA Definitions]
17	Optional Interest Payment Date	[Applicable/Not Applicable]
PROVISIONS RELATING TO REDEMPTION		
18	Capital Replacement End Date:	[●]
19	Call Option:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[●]
20	Clean-up Call Option:	[Applicable/Not Applicable]
	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
21	Ratings Methodology Call:	[Applicable/Not Applicable.]
22	Final Redemption Amount of each Note:	[[●] per Calculation Amount]/[Not Applicable]
23	Special Redemption Price:	
	(i) in respect of a Capital Disqualification Event redemption:	[●] per Calculation Amount

- (ii) in respect of a redemption for taxation reasons per Calculation Amount
- (iii) in respect of a Ratings Methodology Event redemption: per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24 **Relevant Benchmark[s]** [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name]][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmark Regulation]/[Not Applicable]

25 **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:

[Regulation S Global Note (U.S.\$/€ nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]

26 **Global Certificates (Registered Notes):** [Yes] [No]

27 **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** [Not Applicable/]

28 **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes] [No] [As the Notes have more than 27 Coupons, Talons will be attached.]

DISTRIBUTION

29 **U.S. selling restrictions:** [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]

30 **Additional selling restrictions:**

[Not Applicable]

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 for the Notes to be admitted to trading on [the London Stock Exchange] with effect from [●].]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:
[Fitch Ratings: [●]]
[S&P: [●]]
[Moody's: [●]]
[[●] [is/is not] established in the UK and [is/is not] registered under Regulation (EU) No 1060/2009, as it forms part of domestic law by virtue of the EUWA.]
[If ratings assigned/to be assigned to the Notes are set out, include here a brief explanation of the meaning of such ratings]

3 [ESTIMATED TOTAL EXPENSES]

Estimated total expenses: [●]

4 ESTIMATED NET PROCEEDS

Estimated net proceeds: [●]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[[●] "Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

6 [Fixed Rate Notes only - YIELD

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [SONIA/SOFR/EURIBOR] rates can be obtained from [Reuters]/[●].]

8 OPERATIONAL INFORMATION

ISIN Code: [●]
Common Code: [●]
CFI Code: [See/[[include code], as updated, as set out on] the website of the Association of National Numbering

	Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[Not Applicable/[•]]
Names and addresses of additional Paying Agent(s) (if any):	[•]
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 recognized as eligible collateral for Eurosystem monetary policy and intraday 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 intraday 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.]]

FORM OF PRICING SUPPLEMENT FOR SENIOR NOTES

No prospectus is required in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") or the Financial Services and Markets Act 2000, for the issue of the PR Exempt Notes described herein. The Financial Conduct Authority has neither approved or reviewed information contained in this Pricing Supplement.

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below.

Pricing Supplement dated [●]

Phoenix Group Holdings plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £5,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS FOR SENIOR NOTES

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer['s/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. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where

that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the "**Conditions**") set forth in the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [●]] (the "**Prospectus**"). Any reference in the Conditions to "relevant Final Terms" shall be deemed to include "relevant Pricing Supplement", where applicable.

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]. Full information on the Issuer and the offer of the PR Exempt Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.

1	Issuer:	Phoenix Group Holdings plc
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount of Notes admitted to trading:	
	(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: [●]
- 8 **Maturity Date:** [[●]/The Interest Payment Date falling in or nearest to [●]]
- 9 **Interest Basis:** [[●] per cent. Fixed Rate/ Fixed to Floating Rate Notes/ Fixed Rate Reset Notes/ [[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR] +/-[●] per cent. Floating Rate/Zero Coupon]
- 10 **Change of Interest Basis:** [●]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
- 11 **Redemption Basis:** [Redemption at par]
- 12 **Put/Call Options:** [Investor Put]
[Issuer Call]
- 13 (i) Status of the Notes: Senior Notes
- (ii) [Date [Board] approval for issuance of Notes obtained: [[●]/Not Applicable, save as discussed in [Paragraph 2] of the "General Information" section in the Prospectus]
- (iii) Insurance Group Parent Entity Automatic Substitution: [Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note and Fixed to Floating Rate Note Provisions:** [Applicable/Not Applicable/Applicable for the period from and including [●] to, but excluding, [●] (the "Fixed Rate End Date")]
- (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 [adjusted in accordance with paragraph 14(vii)/not subject to adjustment]/[commencing on [●] to and including [●]]
- (iii) Fixed Coupon Amount[(s)] (Definitive Notes only): [●] per Calculation Amount
- (iv) Broken Amount(s) (Definitive Notes only): [[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]/[●]]
- (v) Day Count Fraction: ["Actual/Actual"/ "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "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/Modified Following Business

		Day Convention/Preceding Business Day Convention/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) Reset Margin:	[+/-][●] per cent. per annum
	(iii) Interest Payment Date(s):	[●] in each year
	(iv) Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Note Reset Date (Definitive Notes only):	[●] per Calculation Amount
	(v) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]
	(vi) First Reset Note Reset Date:	[●]
	(vii) Anniversary Date(s):	[●] [and each corresponding day and month falling [●] years thereafter]
	(viii) Reset Determination Dates:	[●]
	(ix) Reset Rate:	[[semi-annual][annualised]Mid-Swap Rate] / [Benchmark Gilt Rate]/[CMT Rate]
	(x) First Reset Period Fallback:	[●]
	(xi) Benchmark Gilt[s]:	[●]/[●]/[Not Applicable]
	(xii) Benchmark Frequency:	[●]
	(xiii) CMT Designated Maturity:	[●]
	(xiv) CMT Rate Screen Page:	[●]
	(xv) Swap Rate Period:	[[●]/Not Applicable]
	(xvi) Screen Page:	[●] / [Not Applicable]
	(xvii) Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
	(xviii) Floating Leg:	[[3]/[6]/[●]-month EURIBOR]/[●] rate calculated on an [Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable]
	(xix) Day Count Fraction:	["Actual/Actual"/"Actual/Actual- ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
	(xx) Determination Dates:	[[●] in each year/Not Applicable]
16	Floating Rate Note and Fixed to	[Applicable/Not Applicable/Applicable for the period

Floating Rate Note Provisions:	from and including the Fixed Rate End Date to, but excluding, [●]
(i) Specified Period(s):	[●/Not Applicable]
(ii) Specified Interest Payment Dates:	[●/Not Applicable]
(iii) Interest Period Date:	[Not Applicable]/[●] in each year [,subject to adjustment in accordance with the Business Day Convention set out below]/[, not subject to adjustment]
(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(v) Additional 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) (if not the Issuing and Paying Agent):	[●]
(viii) Screen Rate Determination:	
– Reference Rate:	[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]
– Quotations	[Offered quotation/Arithmetic mean of offered quotations/Not Applicable]
– Reference Bank(s):	[●]/[Condition 4(1) applies]
– Interest Determination Date(s):	[●]
– Relevant Screen Page:	[●]
– Index Determination:	[Applicable/Not Applicable]
– Observation Method:	[Lag/Observation Shift/Lock-out/Not Applicable]
– p:	[●]
	<i>(NB: A minimum of 5 relevant business/banking days should be specified, unless otherwise agreed with the Calculation Agent)</i>
– D:	[360]/[●]/[Not Applicable]
– Relevant Number:	[5]/ [●]/[Not Applicable]
– Relevant Fallback Screen Page:	[●]
– Number of Decimal Places for Rounding:	[5]/[●]/[Not Applicable]
(ix) ISDA Determination:	

	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	["Actual/Actual" / "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
(xv)	SOFR Benchmark Replacement:	[Applicable]/[Not Applicable]
(xvi)	ISDA Definitions (for the purposes of Condition 4(n)(v)):	[2006 ISDA Definitions]/[2021 ISDA Definitions]
17	Zero Coupon Note Provisions:	[Applicable/Not Applicable]
(i)	Amortisation Yield:	[[●] per cent. per annum] / [Not Applicable]
(ii)	Day Count Fraction:	["Actual/Actual"/ "Actual/Actual – ISDA"/ "Actual/Actual Method"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual – ICMA"]

PROVISIONS RELATING TO REDEMPTION

18	Call Option:	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
(iv)	Notice period:	[●]
19	Clean-up Call Option:	[Applicable/Not Applicable]
	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
20	Put Option:	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[●]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): per Calculation Amount
- (iii) Notice period:
- 21 **Early Redemption Amount**
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:
- 22 Final Redemption Amount of each Note: per Calculation Amount/[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23 **Relevant Benchmark[s]** [specify benchmark] is provided by [administrator legal name][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmark Regulation]/[Not Applicable]
- 24 **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:
[Regulation S Global Note (U.S.\$/€ nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]].
- 25 **New Global Note (Bearer Notes):** [Yes] [No]
- 26 **Global Certificates (Registered Notes):** [Yes] [No]
- 27 **New Safekeeping Structure** [Yes] [No]

(Registered Notes):

- 28 **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** [Not Applicable/[●]]
- 29 **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes] / [No] [As the Notes have more than 27 Coupons, Talons will be attached.]

DISTRIBUTION

- 30 U.S. selling restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]
- 31 Additional selling restrictions: [Not Applicable]
- 32 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)
- 33 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

Signed on behalf of the Issuer:

By:

Duly authorised

PART B — OTHER INFORMATION

1 LISTING

- (i) Listing: [[●]/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].]
[Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:
[Fitch Ratings: [●]]
[S&P: [●]]
[Moody's: [●]]
[[●] [is/is not] established in the UK and [is/is not] registered under Regulation (EU) No 1060/2009, as it forms part of domestic law by virtue of the EUWA]
[If ratings assigned/to be assigned to the Notes are set out, include here a brief explanation of the meaning of such ratings]

3 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer and use of proceeds: [●]
- (ii) Estimated net proceeds: [●]
- (iii) Estimated total expenses: [●]

4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[[●]/ "Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

5 [Fixed Rate Notes only - YIELD

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [SONIA/SOFR/EURIBOR] rates can be obtained from [Reuters]/[●].]

7 OPERATIONAL INFORMATION

ISIN Code: [●]
Common Code: [●]
CFI Code: [See/[include code], as updated, as set out on] the

FISN Code:	website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Names and addresses of additional Paying Agent(s) (if any):	[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 recognized as eligible collateral for Eurosystem monetary policy and intraday 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 intraday 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.]]

FORM OF PRICING SUPPLEMENT FOR TIER 3 NOTES

No prospectus is required in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2019 (the "**UK Prospectus Regulation**") or the Financial Services and Markets Act 2000 for the issue of the PR Exempt Notes described herein. The Financial Conduct Authority has neither approved or reviewed information contained in this Pricing Supplement.

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

Phoenix Group Holdings plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £5,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS FOR TIER 3 NOTES

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer['s/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. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 3 Notes (the "**Conditions**") set forth in the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [•]] (the "**Prospectus**"). Any reference in the Conditions to "relevant Final Terms" shall be deemed to include "relevant Pricing Supplement", where applicable.

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]. Full information on the Issuer and the offer of the PR Exempt Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.

1	Issuer:	Phoenix Group Holdings plc
2	(i) Series Number:	[•]
	(ii) Tranche Number:	[•]
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount of Notes admitted to trading:	
	(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:	[●]
8	Maturity Date:	[[●]/The Interest Payment Date falling in or nearest to [●]]
9	Interest Basis:	[[●] per cent. Fixed Rate]/ [[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR] +/-[●] per cent. Floating Rate]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
10	Redemption Basis:	[Redemption at par]/[Not Applicable]
11	Change of Interest Basis:	[●]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
12	Call Options:	[Issuer Call]
13	(i) Status of the Notes:	Tier 3 Notes
	(ii) [Date [Board] approval for issuance of Notes obtained:	[[●]/Not Applicable, save as discussed in [Paragraph 2] of the " <i>General Information</i> " section in the Prospectus]
	(iii) Insurance Group Parent Entity Automatic Substitution:	[Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [●] to, but excluding, [●] (the " Fixed Rate End Date ")]
	(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 [adjusted in accordance with paragraph 15(vii)/not subject to adjustment]/[commencing on [●] to and including [●]]
	(iii) Fixed Coupon Amount[(s)] (Definitive Notes only):	[●] per Calculation Amount
	(iv) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]]/[●]
	(v) Day Count Fraction:	["Actual/Actual"/ "Actual/Actual – ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "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/Modified Following Business Day Convention/Preceding Business Day

		Convention/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) Reset Margin:	[+/-][●] per cent. per annum
	(iii) Interest Payment Date(s):	[●] in each year
	(iv) Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Note Reset Date (Definitive Notes only):	[●] per Calculation Amount
	(v) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]
	(vi) First Reset Note Reset Date:	[●]
	(vii) Anniversary Date(s):	[●] [and each corresponding day and month falling [●] years thereafter]
	(viii) Reset Determination Dates:	[●]
	(ix) Reset Rate:	[[semi-annual][annualised]Mid-Swap Rate] / [Benchmark Gilt Rate]/[CMT Rate]
	(x) First Reset Period Fallback:	[●]
	(xi) Benchmark Gilt[s]:	[●]/[●]/[Not Applicable]
	(xii) Benchmark Frequency:	[●]
	(xiii) CMT Designated Maturity:	[●]
	(xiv) CMT Rate Screen Page:	[●]
	(xv) Swap Rate Period:	[[●]/Not Applicable]
	(xvi) Screen Page:	[●] / [Not Applicable]
	(xvii) Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
	(xviii) Floating Leg:	[[3]/[6]/[●]-month EURIBOR]/[●] rate calculated on an [Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable]
	(xix) Day Count Fraction:	["Actual/Actual"/"Actual/Actual- ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual – ICMA"]
	(xx) Determination Dates:	[[●] in each year/Not Applicable]
16	Floating Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including the Fixed Rate End Date to, but

- excluding, [●]]
- (i) Specified Period(s): [●/Not Applicable]
 - (ii) Specified Interest Payment Dates: [●/Not Applicable]
 - (iii) Interest Period Date: [Not Applicable]/[●] in each year [,subject to adjustment in accordance with the Business Day Convention set out below]/[, not subject to adjustment]
 - (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
 - (v) Additional 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) (if not the Issuing and Paying Agent): [●]
 - (viii) Screen Rate Determination:
 - Reference Rate: [[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]
 - Quotations: [Offered quotation/Arithmetic mean of offered quotations/Not Applicable]
 - Reference Bank(s): [●]/[Condition 4(j) applies]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Index Determination: [Applicable/Not Applicable]
 - Observation Method: [Lag/Observation Shift/Lock-out/Not Applicable]
 - p: [●]
(NB: A minimum of 5 relevant business/banking days should be specified, unless otherwise agreed with the Calculation Agent)
 - D: [360]/[●]/[Not Applicable]
 - Relevant Number: [5]/ [●]/[Not Applicable]
 - Relevant Fallback Screen Page: [●]
 - Number of Decimal Places for Rounding: [5]/[●]/[Not Applicable]
 - (ix) ISDA Determination:
 - Floating Rate Option: [●]
 - Designated Maturity: [●]

–	Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	["Actual/Actual" / "Actual/Actual – ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual – ICMA"]
(xv)	SOFR Benchmark Replacement:	[Applicable]/[Not Applicable]
(xvi)	ISDA Definitions (for the purposes of Condition 4(l)(v)):	[2006 ISDA Definitions]/[2021 ISDA Definitions]

PROVISIONS RELATING TO REDEMPTION

17	Capital Replacement End Date:	[●]
18	Call Option:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[●]
19	Clean-up Call Option:	[Applicable/Not Applicable]
	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
20	Ratings Methodology Call:	[Applicable/Not Applicable]
21	Final Redemption Amount of each Note:	[[●] per Calculation Amount]/[Not Applicable]
22	Special Redemption Price:	
	(i) in respect of a Capital Disqualification Event redemption:	[●] per Calculation Amount
	(ii) in respect of a redemption for taxation reasons:	[●] per Calculation Amount
	(iii) in respect of a Ratings Methodology Event redemption:	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Relevant Benchmark[s]	[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and
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maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmark Regulation]/[Not Applicable]

24 **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:

[Regulation S Global Note (U.S.\$/€[●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]

25 **Global Certificates (Registered Notes):**

[Yes] [No]

26 **Additional Financial Centre(s) or other special provisions relating to Payment Dates:**

[Not Applicable/[●]]

27 **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):**

[Yes] [No] [As the Notes have more than 27 Coupons, Talons will be attached.]

DISTRIBUTION

28 **U.S. selling restrictions:**

[Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]

29 **Additional selling restrictions:**

[Not Applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B — OTHER INFORMATION

1 LISTING

- (i) Listing: [[●]/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].]
[Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:
[Fitch Ratings: [●]]
[S&P: [●]]
[Moody's: [●]]
[[●] [is/is not] established in the UK and [is/is not] registered under Regulation (EU) No 1060/2009, as it forms part of domestic law by virtue of the EUWA]
[If ratings assigned/to be assigned to the Notes are set out, include here a brief explanation of the meaning of such ratings]

3 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

- (i) Reasons for the offer and use of proceeds: [●]
- (ii) Estimated net proceeds: [●]
- (iii) Estimated total expenses: [●]

4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[[●]/ "Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

5 [Fixed Rate Notes only - YIELD]

Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 [Floating Rate Notes only – HISTORIC INTEREST RATES]

Details of historic [SONIA/SOFR/EURIBOR] rates can be obtained from [Reuters]/[●].]

7 OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

CFI Code: [See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the

	responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN Code:	[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[Not Applicable/[•]]
Names and addresses of additional Paying Agent(s) (if any):	[•]
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 recognized as eligible collateral for Eurosystem monetary policy and intraday 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 intraday 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.]]

FORM OF PRICING SUPPLEMENT FOR TIER 2 NOTES

No prospectus is required in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") or the Financial Services and Markets Act 2000 for the issue of the PR Exempt Notes described herein. The Financial Conduct Authority has neither approved or reviewed information contained in this Pricing Supplement.

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

Phoenix Group Holdings plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £5,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS FOR TIER 2 NOTES

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer['s/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. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that

customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 2 Notes (the "**Conditions**") set forth in the Prospectus dated 30 June 2023 [and the supplemental Prospectus[es] dated [•]] (the "**Prospectus**"). Any reference in the Conditions to "relevant Final Terms" shall be deemed to include "relevant Pricing Supplement", where applicable.

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]. Full information on the Issuer and the offer of the PR Exempt Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus[es]] [is] [are] available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from Phoenix Group Holdings plc, 20 Old Bailey, London, EC4M 7AN, United Kingdom.

1	Issuer:	Phoenix Group Holdings plc
2	(i) Series Number:	[•]
	(ii) Tranche Number:	[•]
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount of Notes admitted to trading:	
	(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:	[●]
8	Maturity Date:	[[●]/The Interest Payment Date falling in or nearest to [●]]/[Not Applicable]
9	Interest Basis:	[[●]per cent. Fixed Rate]/[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR] +/-[●] per cent. Floating Rate]/ [Fixed Rate Reset Notes]/ [Fixed to Floating Rate Notes]
10	Redemption Basis:	[Redemption at par]/[Not Applicable]
11	Change of Interest Basis:	[●]/[Fixed Rate Reset Notes]/[Fixed to Floating Rate Notes]
12	Call Options:	[Issuer Call]
13	(i) Status of the Notes:	Tier 2 Notes
	(ii) [Date [Board] approval for issuance of Notes obtained:	[[●]/Not Applicable, save as discussed in [Paragraph 2] of the " <i>General Information</i> " section in the Prospectus]
	(iii) Insurance Group Parent Entity Automatic Substitution:	[Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [●] to, but excluding, [●] (the " Fixed Rate End Date ")]
	(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 [adjusted in accordance with paragraph 15(vii)/not subject to adjustment]/[commencing on [●] to and including [●]]
	(iii) Fixed Coupon Amount[(s)] (Definitive Notes only):	[●] per Calculation Amount
	(iv) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]]/[●]
	(v) Day Count Fraction:	["Actual/Actual"/ "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual/360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "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/Modified Following Business Day Convention/Preceding Business Day Convention/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) Reset Margin:	[+/-][●] per cent. per annum
	(iii) Interest Payment Date(s):	[●] in each year
	(iv) Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Note Reset Date (Definitive Notes only):	[●] per Calculation Amount
	(v) Broken Amount(s) (Definitive Notes only):	[[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]
	(vi) First Reset Note Reset Date:	[●]
	(vii) Anniversary Date(s):	[●] [and each corresponding day and month falling [●] years thereafter]
	(viii) Reset Determination Dates:	[●]
	(ix) Reset Rate:	[[semi-annual][annualised]Mid-Swap Rate] / [Benchmark Gilt Rate][CMT Rate]
	(x) First Reset Period Fallback:	[●]
	(xi) Benchmark Gilt[s]:	[●]/[●]/[Not Applicable]
	(xii) Benchmark Frequency:	[●]
	(xiii) CMT Designated Maturity:	[●]
	(xiv) CMT Rate Screen Page:	[●]
	(xv) Swap Rate Period:	[[●]/Not Applicable]
	(xvi) Screen Page:	[●] / [Not Applicable]
	(xvii) Fixed Leg:	[[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
	(xviii) Floating Leg:	[[3]/[6]/[●]-month EURIBOR]/[●] rate calculated on an [Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable]
	(xix) Day Count Fraction:	["Actual/Actual"/"Actual/Actual- ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/

		"30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
	(xx) Determination Dates:	[[●] in each year/Not Applicable]
16	Floating Rate Note and Fixed to Floating Rate Note Provisions:	[Applicable/Not Applicable/Applicable for the period from and including the Fixed Rate End Date to, but excluding, [●]]
	(i) Specified Period(s):	[●/Not Applicable]
	(ii) Specified Interest Payment Dates:	[●/Not Applicable]
	(iii) Interest Period Date:	[Not Applicable]/[●] in each year [,subject to adjustment in accordance with the Business Day Convention set out below]/[, not subject to adjustment]
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(v) Additional 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) (if not the Issuing and Paying Agent):	[●]
	(viii) Screen Rate Determination:	
	– Reference Rate:	[[●] month EURIBOR]/[SONIA]/[Compounded Daily SOFR]/[Weighted Average SOFR]
	– Quotations:	[Offered quotation/Arithmetic mean of offered quotations/Not Applicable]
	– Reference Bank(s):	[●]/[Condition 4(j) applies]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Index Determination:	[Applicable/Not Applicable]
	– Observation Method:	[Lag/Observation Shift/Lock-out/Not Applicable]
	– p:	[●]
		<i>(NB: A minimum of 5 relevant business/banking days should be specified, unless otherwise agreed with the Calculation Agent)</i>
	– D:	[360]/[●]/[Not Applicable]
	– Relevant Number:	[5]/ [●]/[Not Applicable]

	– Relevant Fallback Screen Page:	[●]
	– Number of Decimal Places for Rounding:	[5]/[●]/[Not Applicable]
(ix)	ISDA Determination	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	["Actual/Actual" / "Actual/Actual - ISDA"/ "Actual/365 (Fixed)"/ "Actual/365 (Sterling)"/ "Actual 360"/ "30/360"/ "360/ 360"/ "Bond Basis"/ "30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"/ "Actual/Actual - ICMA"]
(xv)	SOFR Benchmark Replacement:	[Applicable]/[Not Applicable]
(xvi)	ISDA Definitions (for the purposes of Condition 4(l)(v)):	[2006 ISDA Definitions]/[2021 ISDA Definitions]
17	Optional Interest Payment Date	[Applicable/Not Applicable]
PROVISIONS RELATING TO REDEMPTION		
18	Capital Replacement End Date:	[●]
19	Call Option:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[●]
20	Clean-up Call Option:	[Applicable/Not Applicable]
	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
21	Ratings Methodology Call:	[Applicable/Not Applicable.]
22	Final Redemption Amount of each Note:	[[●] per Calculation Amount]/[Not Applicable]
23	Special Redemption Price:	
	(i) in respect of a Capital Disqualification Event redemption:	[●] per Calculation Amount

- (ii) in respect of a redemption for taxation reasons [●] per Calculation Amount
- (iii) in respect of a Ratings Methodology Event redemption: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24 **Relevant Benchmark[s]** [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmark Regulation/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmark Regulation]/[Not Applicable]
- 25 **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:**
 [Regulation S Global Note (U.S.\$/€[●] nominal amount) registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]
- 26 **Global Certificates (Registered Notes):** [Yes] [No]
- 27 **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** [Not Applicable/[●]]
- 28 **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes] [No] [As the Notes have more than 27 Coupons, Talons will be attached.]

DISTRIBUTION

- 29 **U.S. selling restrictions:** [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]
- 30 **Additional selling restrictions:** [Not Applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B — OTHER INFORMATION

1 LISTING

- (i) Listing: [[●]/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].]
[Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:
[Fitch Ratings: [●]]
[S&P: [●]]
[Moody's: [●]]
[[●] [is/is not] established in the UK and [is/is not] registered under Regulation (EU) No 1060/2009, as it forms part of domestic law by virtue of the EUWA]
[If ratings assigned/to be assigned to the Notes are set out, include here a brief explanation of the meaning of such ratings]

3 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

- (i) Reasons for the offer and use of proceeds: [●]
- (ii) Estimated net proceeds: [●]
- (iii) Estimated total expenses: [●]

4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[[●]/ "Save as discussed in ["*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

5 [Fixed Rate Notes only - YIELD]

- Indication of yield: [●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 [Floating Rate Notes only – HISTORIC INTEREST RATES]

Details of historic [SONIA/SOFR/EURIBOR] rates can be obtained from [Reuters]/[●].]

7 OPERATIONAL INFORMATION

- ISIN Code: [●]
- Common Code: [●]
- CFI Code: [See/[[include code], as updated, as set out on] the

	website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN Code:	[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[Not Applicable/[•]]
Names and addresses of additional Paying Agent(s) (if any):	[•]
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 recognized as eligible collateral for Eurosystem monetary policy and intraday 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 intraday 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.]]

GENERAL INFORMATION

- (1) It is expected that each Tranche of Notes which is to be admitted to listing on the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. The acceptance of the Programme on the Official List in respect of Notes issued under the Programme for a period of 12 months from the date of this Prospectus is expected to be granted on or around 4 July 2023. Transactions on the London Stock Exchange will normally be effected for delivery on the third working day after the day of the transaction. 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 connection with the establishment and update of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 2 May 2019. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 2 May 2019.
- (3) Since 31 December 2022, there has been no significant change in the financial position or financial performance of the Issuer and its subsidiaries.
- (4) Since 31 December 2022, there has been no material adverse change in the prospects of the Issuer and its subsidiaries.
- (5) There are no governmental, legal or arbitration proceedings (including any such proceedings which are 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 Group.
- (6) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any U.S. person who holds this obligation will be subject to limitations under the U.S. income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number ("**ISIN**"), the Classification of Financial Instruments ("**CFI**") and the Financial Instrument Short Name ("**FISN**") 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. 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. The address of any alternative clearing system will be specified in the relevant Final Terms.
- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. Unless otherwise stated in the relevant Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (9) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours and upon reasonable notice on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of each of the Paying Agents and on the website of the Issuer (at www.thephoenixgroup.com):

- (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (ii) the Memorandum and Articles of Association of the Issuer;
 - (iii) each set of Final Terms for Notes that are listed on the Official List and admitted to trading on the Market;
 - (iv) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus and any documents incorporated by reference into this Prospectus (as set out in items (i) to (xi) in "*Documents Incorporated by Reference*") or any Supplement to this Prospectus; and
 - (v) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request and any part of which is included or referred to in this Prospectus.
- (10) Ernst & Young LLP of 1 More London Place, London, SE1 2AF, United Kingdom, which is a member of the Institute of Chartered Accountants in England and Wales ("**ICAEW**") and is registered to carry on audit work by the ICAEW, have audited and rendered an unqualified audit report on the consolidated financial statements of the Group for the years 31 December 2021 and 31 December 2022.
- (11) The Arranger has engaged and certain of the Dealers and their affiliates may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and/or its affiliates in the ordinary course of business.
- (12) The Arranger, any Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.
- (13) In addition, in the ordinary course of their business activities, the Arranger, any 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 its affiliates. The Arranger, any 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, the Arranger, any such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Arranger, 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.
- (14) The website of the Issuer is www.thephoenixgroup.com. The information on www.thephoenixgroup.com does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

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