



THE BRITISH LAND COMPANY PLC

(incorporated in England and Wales with limited liability under registered number 621920)

£2,000,000,000 Euro Medium Term Note Programme

Under this £2,000,000,000 Euro Medium Term Note Programme (the **Programme**), The British Land Company PLC (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will be £2,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

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

Application has been made to the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the **FSMA**), (the **FCA**) for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the FCA (the **Official List**). Application has also been made to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market (the **Market**), which is a regulated market for the purposes of Directive 2014/65/EU, as amended (**MiFID II**). References in this Base Prospectus to Notes being **listed** (and all related references) shall (unless the context otherwise requires) mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account of, U.S. persons (see "Subscription and Sale").

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in the applicable final terms (the **Final Terms**) which, with respect to Notes to be admitted to the Official List and admitted to trading on the Market, will be delivered to the FCA and (where listed) the London Stock Exchange on or before the date of issue of the Notes of such Tranche. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Programme has been rated A by Fitch Rating's Limited (**Fitch**). Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Notes issued under the Programme may be rated by Fitch or unrated. Where a Tranche of Notes is to be rated, such rating will be disclosed in the Final Terms, and the rating assigned to it will not necessarily be the same as the rating assigned to the Programme by Fitch or the same as ratings assigned to other issues of Notes. Please also refer to "Ratings of the Notes" in the "Risk Factors" section of this Base Prospectus for further information. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Arranger

Barclays

Dealers

Bank of China

Barclays

BNP PARIBAS

Crédit Agricole CIB

Lloyds Bank Corporate Markets

MUFG

NatWest Markets

RBC Capital Markets

**Santander Corporate & Investment
Banking**

SMBC Nikko

UBS Investment Bank

Wells Fargo Securities

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IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. For the purposes of this Base Prospectus, the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded) and includes any relevant implementing measure in each relevant Member State of the European Economic Area (the **EEA**).

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

MIFID II product governance / target market: The Final Terms in respect of any 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 the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS: If the Final Terms in respect of any 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, with effect from such date, 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:

- (A) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (B) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently no key information document required by Regulation (EU) No. 1286/2014, as amended (the **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.

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

Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Amounts payable under the Notes (such as Floating Rate Notes) may be calculated by reference to EURIBOR, which is provided by the European Money Markets Institute (**EMMI**), LIBOR and CMS, which are provided by ICE Benchmark Administration (**ICE**), and other certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011, as amended (the **Benchmark Regulation**). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 (register of administrators and benchmarks) of the Benchmark Regulation. As at the date of this Base Prospectus, (i) ICE appears on the register and (ii) EMMI does not appear on the register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and the administrators of particular benchmarks are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

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

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

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

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including the United Kingdom) and Japan (see "*Subscription and Sale*").

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the **Stabilising Manager(s)**) (or persons 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 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 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 persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

All references in this Base Prospectus to (i) **pounds sterling** and **£** are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland (the **United Kingdom** or **UK**); (ii) **euro** and **€** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and (iii) **U.S. dollars** and **U.S.\$** are to the lawful currency for the time being of the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any information incorporated by reference, by any investor. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

*The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions (the **Conditions**), in which event, in the case of listed Notes, a new Base Prospectus will be published. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.*

Issuer: The British Land Company PLC

Legal Entity Identifier (LEI) RV5B68J2GV3QGMRPW209

Arranger: Barclays Bank PLC

Dealers: Banco Santander, S.A.

Bank of China Limited, London Branch

Barclays Bank PLC

BNP Paribas

Crédit Agricole Corporate and Investment Bank

Lloyds Bank Corporate Markets plc

MUFG Securities EMEA plc

NatWest Markets Plc

RBC Europe Limited

SMBC Nikko Capital Markets Limited

UBS AG London Branch

Wells Fargo Securities International Limited

and any other Dealers appointed from time to time by the Issuer generally in respect of the Programme or in relation to a particular Tranche of Notes in accordance with the Programme Agreement.

Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus. Notes having a maturity of less than one year Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see " <i>Subscription and Sale</i> ".
Trustee:	Apex Corporate Trustees (UK) Limited
Principal Paying Agent:	The Bank of New York Mellon
Initial Programme Size:	Up to £2,000,000,000 (or its equivalent in other currencies) aggregate principal amount outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and (in each case) on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

The Notes will be issued in bearer form.

Each Tranche of Notes will be represented on issue by a Temporary Global Note (as defined below) or a Permanent Global Note (as defined below). Where either a Temporary Global Note or a Permanent Global Note is intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, the Temporary Global Note or Permanent Global Note, as the case may be, will be delivered on or prior to the original issue date of the relevant Notes to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and where such a Temporary Global Note or a Permanent Global Note is not intended to be issued in NGN form, the Temporary Global Note or Permanent Global Note, as the case may be will be delivered on or prior to the original issue date of the relevant Notes to a common depositary (the **Common Depositary**) for Euroclear and Clearstream Luxembourg.

The NGN form allows the possibility of Notes issued to be held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the **Eurosystem**) and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

Each Temporary Global Note and Permanent Global Note will be exchangeable (free of charge to the holder) in the circumstances described in "*Form of the Notes*" below for (in the case of a Temporary Global Note) interests in a Permanent Global Note or, if so provided in the applicable Final Terms, for definitive Notes with, where applicable, interest coupons and talons attached or (in the case of a Permanent Global Note) for definitive Notes with, where applicable, interest coupons and talons attached.

In relation to any issue of Notes which are represented on issue by a Temporary Global Note exchangeable for Definitive Notes, such Notes shall be issued with a single Specified Denomination only. In no circumstances shall they be issued with a Specified Denomination plus one or more higher integral multiples of another smaller amount.

Initial Delivery of Notes:

On or before the issue date for each Tranche, the Global Note may be deposited with a common depositary, or a common safekeeper for, Euroclear and Clearstream, Luxembourg. Global Notes 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 Trustee, the Principal Paying Agent (as defined below) and the relevant Dealer.

Fixed Rate Notes:

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

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (a) 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., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of LIBOR, EURIBOR or CMS, as set out in the applicable Final Terms.

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

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes:

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

Redemption:

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

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution (see "*Certain Restrictions – Notes having a maturity of less than one year*" above).

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as at the date of issue of the relevant Notes).

Taxation:

All payments in respect of the Notes will be made without deduction or withholding for or on account of tax imposed by the United Kingdom, save as required by law. In the event that any such deduction or withholding in respect of United Kingdom tax is required by law to be made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will not contain a negative pledge provision.

Restriction on Borrowings:

The terms of the Notes will contain a restriction on Net Borrowings and Net Unsecured Borrowings as further described in Condition 3.

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 9(a).

Status of the Notes:

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

Rating:	<p>This Programme has been assigned a credit rating of A by Fitch. A Series of Notes issued under the Programme may be rated by Fitch or unrated. Where a Series of Notes is to be rated, such rating will be disclosed in the applicable Final Terms, and the rating assigned to it will not necessarily be the same as the rating assigned to the Programme or the same as ratings assigned to other issues of Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
Listing:	<p>Application has been made for Notes issued under the Programme to be admitted to the Official List and to trading on the Market.</p>
Governing Law:	<p>The Notes, and any non-contractual obligations arising out of or in connection with the Notes, will be governed by and construed in accordance with English law.</p>
Selling Restrictions:	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including the United Kingdom and Belgium), Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "<i>Subscription and Sale</i>".</p>
United States Selling Restrictions:	<p>The Issuer is a Category 2 issuer for the purposes of the Securities Act.</p> <p>The Notes will be issued in compliance with U.S. Treasury Regulations S1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the D Rules) unless (i) the applicable Final Terms states that Notes are issued in compliance with U.S. Treasury Regulations S1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the C Rules); or (ii) the Notes are issued other than in circumstances in which the Note 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 applicable Final Terms as a transaction to which TEFRA is not applicable.</p>

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate and the Issuer 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 Base Prospectus (including any documents incorporated by reference) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the programme

Portfolio generally

Property investments are subject to varying degrees of risk. Rental income, property yields and therefore property values are affected by changes in the general economic climate as well as localised conditions such as an oversupply of space and competition from other available space in the market, a reduction in demand for commercial real estate either in a specific location, or a specific type, or as an asset class more generally. Property markets tend to be cyclical and impacted by the condition of the economy as a whole. The Issuer and its subsidiaries (together, the **Group**) have experienced the negative impacts of periods of economic slowdown or recession in the past and expect to experience these conditions again in the future, usually leading to declines in the demand for property in the markets in which it operates.

The Group's decision to hold, develop, buy or sell properties may not deliver the expected returns or valuation performance because of the Group's failure to anticipate the market cycle correctly. Making incorrect investment or divestment decisions, at the wrong point in the property cycle, in the wrong location, or in the wrong sector, could lead to an underperformance of the Group's portfolio.

Any decline in rental income or market values may adversely affect the revenue and operations of the Group, and accordingly the Issuer's ability to meet its obligations under the Notes.

External factors affecting real estate investment

The Group's property portfolio value is susceptible to changes in investment demand for UK property. There are a number of risks that can impact investment demand levels. These include political uncertainty, changes in economic conditions both on a macro and micro basis, events impacting the relative attractiveness of property as an asset class, obsolescence of properties, changes in consumer and tenant preferences, increases in interest rates, changes in lease structure, fluctuations in the availability of financing for the acquisition of property, changes in governmental rules, policies and regulation, UK taxation changes, and other factors which are beyond the control of the Group (including catastrophic business events), and are outlined in further detail below. All of these risks may impact the attractiveness of UK property and property as an asset class and may therefore have

a negative impact on the Group's portfolio valuations and/or rental levels which may adversely impact the Issuer's ability to meet its obligations under the Notes.

External factors affecting occupier demand and tenant default

The Group's property portfolio focuses primarily on retail locations around the UK (the **Retail Portfolio**) and office locations in London (the **Offices Portfolio**). As at 31 March 2019, the Retail Portfolio comprised 45 per cent. of the Group's total property portfolio and the Offices Portfolio comprised 51 per cent. of the Group's total property portfolio. The remaining 4 per cent. of the Group's total property portfolio relates to the Group's residential holdings, and its properties in Canada Water. The value of the Group's property portfolio and the rental income it generates may be adversely affected by external factors affecting occupier demand.

For the Retail Portfolio, this includes the growth of internet retailing, rather than physical stores, which may adversely affect occupiers' demand for the Group's retail space. The portfolio will also be impacted both by consumer spending patterns which can be more strained when interest rates are rising or during times of uncertainty, and by increasing costs experienced by occupiers due to changes in legislation such as the rates revaluations and increased minimum wage levels in recent years. These factors, among others, are contributing to the number of company voluntary arrangements and administrations in the market which may result in store closures and rent reductions.

For the Offices Portfolio, the geographic concentration of the Portfolio means that any events which may damage or diminish London's status as a global financial and business centre may adversely impact property values and rental income. Such events could include a reduction in London's attractiveness to skilled persons as a result of regulation, taxation or otherwise, an increase in occupancy costs, adverse changes in the regulatory environment for financial services, acts of terrorism, economic recession or otherwise. If London's status as a global financial and business centre were damaged or diminished, occupier demand for commercial office space in London could decrease.

The whole property portfolio is susceptible to earlier than anticipated obsolescence as a result of changes in consumer and business practices including flexible working practices, demand for energy efficient properties, new technologies, new legislation and also the emergence of alternative locations for businesses to operate from.

An increase in vacancy levels resulting from the above factors could reduce the rental values achievable in respect of commercial property and lead to property values decreasing. This could have a material adverse effect on the Group's revenues and operations and, accordingly, the Issuer's ability to meet its obligations under the Notes.

Dependence on tenants

The Issuer's ability to fulfil its obligations under the Notes will depend on the Group continuing to receive rent from its tenants. The Issuer's ability to fulfil such obligations could be affected if occupancy levels were to fall or if a significant number of tenants were unable to meet their obligations either due to the factors noted above in the "*External factors affecting occupier demand and tenant default*" section, or otherwise.

The Group derives a significant portion of its revenue directly or indirectly from rent received from its major retail tenants, including anchor tenants, and major office tenants. Major retail tenants and major office tenants generally pay a significant portion of the total rents at a property and, in some

cases, contribute to the success of securing other tenants by attracting customers to the property. A downturn in business, bankruptcy or insolvency could force a major retail tenant or major office tenant to default on its rental obligations and/or vacate the premises. Such a default could result in a loss of rental income, and an increase in void costs and bad debts, in turn decreasing the value of the property. Moreover, such a default may prevent the Group from securing rent uplifts or result in lease terminations by, or reductions in rent for, other tenants under the conditions of their leases.

As existing leases terminate or become subject to tenants' option to enforce their break clauses, or space needs to be re-let for other reasons, there can be no assurance that such space will be re-let or, if re-let, that it will be re-let on terms (including rental levels) as favourable to the Group as those prevailing at the time, or that new tenants will be as creditworthy as the existing tenants.

Slowdown in general economic conditions, especially in certain business sectors or geographical regions, may adversely affect the Group's income

The Group's properties serve a broad range of occupiers. Therefore, the success of the business is dependent, to a significant degree, on the financial performance of a wide range of industries. Any prolonged economic downturn in the United Kingdom and continental Europe (or indeed in the sectors in which the Group's tenants operate) could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, the Issuer's ability to meet its obligations under the Notes.

Further, as noted above, a substantial proportion of the Group's properties are located in the UK and many of these are in London. Consequently, any downturn in the UK's economy as a whole, or localised downturn in an area with significant assets, could materially adversely affect the Group's business, results of operations, financial condition and prospects particularly as the Group has only limited ability to offset such a downturn through alternative activities. As a result, the Issuer's ability to meet its obligations under the Notes may be adversely affected.

Shared ownership of properties

Some of the Group's operations and developments are held within joint ventures or other shared ownership arrangements. By definition, control of joint ventures and other shared ownership arrangements is shared with the Group's joint venture partners and co-investors, and the directors of the companies within the Group will not be able exclusively to direct the strategy and operating decisions of these entities. In particular, material decisions relating to the joint ventures and co-investments are likely to require the consent of both joint venture partners, or a certain majority share of investors, which may restrict the ability to proceed with an operational change, acquisition, disposal or development, or the raising, refinancing or repayment of debt. Joint ventures or other shared ownership arrangements may include provisions for one party to initiate a disposal of the joint venture's or other shared ownership arrangement's assets on the open market, subject to certain conditions. Conflict with joint venture partners or co-investors may lead to deadlock and result in the Group being unable to pursue its preferred strategy.

In addition, in the event of a joint venture partner or co-investor being unable to make financial commitments to the relevant project, it may be difficult to proceed with projects or the Group may incur increased financial exposure in order to complete the relevant project.

In addition, the bankruptcy, insolvency or severe financial distress of one of the Group's joint venture partners or co-investors could materially and adversely affect the relevant joint venture, co-investment or properties held within that entity. The Group may have a right to acquire the share of the joint venture or co-investment which it does not own or the relevant properties, but the Group

may not wish to do so, or may not have sufficient funds to do so, which could lead to a third party acquiring such interest, which may have uncertain outcomes for the Group and could have an adverse impact on the Group's business, reputation, financial condition and/or results of operations and, accordingly, the Issuer's ability to meet its obligations under the Notes.

Development risks including cost inflation

The Group uses its development programme to create new or refurbished properties that target incremental return on investment. The Group's development programme involves a higher degree of risk than its standing investment properties. These risks include development letting exposure, construction timing and costs, major contractor failure, and adverse planning judgements. These risks could adversely impact underlying income and property valuations and impact the Issuer's ability to meet its obligations under the Notes.

The Group's strategy for development of prime real estate requires that it contracts skilled third-party contractors to provide construction, engineering and various other services for the properties it is developing. The Group also relies on these third-party contractors for the timely construction of its developments in accordance with international standards of quality and safety. Should a third-party contractor become insolvent, or fail to comply with laws and regulations, it could have a material impact on the Group through programme delays, cost overruns, the acceptance of riskier contractor covenants and worse terms. The risk of such insolvency also increases the risk of the Group being unable to recover costs in relation to any future latent defect claims, to the extent that such costs are not otherwise covered by insurance.

Construction delays can also occur as a result of inclement weather or acts of nature, industrial accidents and defective building methods or materials. Any of these factors, alone or in combination, could significantly increase the costs of construction, delay completion or disrupt the construction programme by halting construction or damaging materials or the development asset itself. The Group may not be able to recover cost overruns or lost revenue caused by such events either under its insurance policies or from the responsible contractor or sub-contractor.

Construction delays may also result in failure to meet certain conditions of pre-let agreements jeopardising, or delaying, future income streams expected pursuant to those agreements.

Development cost inflation presents a risk to the profitability of the Group's developments and has the potential to adversely affect the Group's cash position and overall return on investment. Construction cost inflation is principally influenced by supply and demand dynamics within the industry and is beyond the control of the Group (see also "*Inflation Risk*").

The Group's development projects are subject to the hazards and risks normally associated with the construction and development of commercial real estate, including personal injury and property damage. The occurrence of any of these events could result in significant increased operating costs, reputational damage, fines, legal fees, or criminal prosecution of the Issuer, and its directors or management.

Adverse planning judgements can impact the Group's performance through incurring increased costs of achieving an optimal planning consent, and reputational damage as a result of the planning process. This can impact on the returns of the Group and therefore impact on the ability of the Issuer to meet its obligations under the Notes.

Development decisions also require that the Group accurately assess the development opportunity, including the return on investment, transport and other infrastructure attributes of the location, quality

of specification, configuration and flexibility of accommodation, and timing and delivery of the completed property. Inaccurate assessment of a development opportunity or a decrease in tenant demand due to competition from other commercial real estate properties or adverse market conditions could result in a substantial proportion of the development remaining vacant after completion and exert pressure on the Group to accept less favourable lease or sale terms than the initial appraisal.

Catastrophic business events and climate-related risks

An external event such as a civil emergency, including a large-scale terrorist attack, cybercrime, extreme weather occurrence, environmental disaster or power shortage, could severely disrupt global markets and cause significant damage and disruption to the Group's portfolio and operations. Such events could also adversely impact the operations of the Group's occupiers and/or supply chain.

There is a risk that catastrophic business events such as terrorist attacks or cybercrime could have a negative impact on the Group's business. The Home Office threat level from international terrorism remains "severe", while there has been a number of recent high-profile hacks and data security breaches. A security breach could lead to a loss or theft of customer, employee, supplier or the Group's confidential data. A major data security breach could lead to significant reputational damage and result in regulatory intervention and/or fines, especially considering the implementation of the General Data Protection Regulation (Regulation (EU) 2016/679) regarding the protection of natural persons with respect to the processing of personal data and on the free movement of such data.

Environmental and other laws may require current or previous owners or occupiers of property to investigate and/or clean-up hazardous or toxic substances. Owners or occupiers may also be obliged to pay for property damage and for investigation and clean-up costs incurred by others in connection with such substances. Such laws typically impose clean-up responsibility and liability having regard to whether such owners or occupiers knew of, or caused, the presence or escape of the substances. Even if more than one person may have been responsible or liable for the contamination, each person caught by the relevant environmental laws may be held responsible for all of the clean-up costs incurred.

In addition, third parties may bring legal proceedings against a current or previous owner, occupier or other party in control of property for damages and costs resulting from substances emanating from that property. These damages and costs may be substantial. The presence of substances on a property could also result in personal injury or similar claims by private claimants.

Failure to future-proof the Group's properties against extreme weather occurrences or the impact of current and emerging legislation may result in reduced investor and occupier interest in the Group's properties, faster obsolescence of properties, disruption to income streams for the Group and its occupiers, and additional costs for the Group and its occupiers to adapt properties or meet new legislative and environmental requirements. As a result, the Issuer's ability to meet its obligations under the Notes may be adversely affected.

Foreign exchange risk

Some of the Issuer's investments are denominated in foreign currency. The Issuer reports its financial results in pounds sterling and must translate the valuations of its foreign currency denominated investments and properties (if applicable) to pounds sterling. This exposure is hedged by matching the value of the foreign assets with borrowings in foreign currencies. The Group also engages overseas suppliers and contractors and purchases materials from overseas, particularly in relation to its development projects. If such contracts are denominated in foreign currencies and not

hedged into pounds sterling, or if contracts for materials and services required are to be sourced overseas and have not yet been entered into, the Group could be exposed to fluctuations in foreign currency exchange rates.

Also, to the extent that the Group does not hedge its exposure to foreign currency exchange rate fluctuations, or to the extent that such hedging is inaccurate or otherwise ineffective, the Group could be exposed to fluctuations in foreign currency exchange rates which could have a negative impact on the Group's results and/or its financial condition and, accordingly, the Issuer's ability to meet its obligations under the Notes.

Interest rate risk

Further to the impact on occupiers, the Group is also exposed to interest rate risks on its unhedged floating rate debt finance raised. Part of the Group's exposure to variable rates is hedged through derivatives but these hedges could be insufficient to cover these risks. Changes in interest rates could have a negative impact on the Group's results and/or its financial position and, accordingly, impact the Issuer's ability to meet its obligations under the Notes.

Liquidity risks and capital resources

Liquidity risk is the possibility of being unable to meet all present and future financial obligations as they become due. To mitigate its liquidity risk and augment its capital resources, the Issuer currently relies on primary forms of financing consisting of bank facilities (i.e. committed lines of credit from major banks) and public and private bond issuance (including convertible bonds). The last global economic downturn and resulting dislocation of financial markets around the world caused a number of the world's largest financial and other institutions significant operational and financial difficulties.

The failure of the Issuer to manage refinancing requirements may result in a shortage of funds to sustain the operations of the business or repay facilities as they fall due. Each of the Issuer's sources of financing could become unavailable, for example, if a reduction in its credit rating makes the cost of accessing the public and private debt markets prohibitive. Although the Issuer considers that the diversity of its financing helps to protect it from liquidity risk, it could find itself unable to access any or all of these sources of financing on reasonable terms. Any failure by lenders to fulfil their obligations to the Issuer as well as the inability of the Issuer to access new funding in the longer term may impact the Issuer's cash flow and liquidity, which could have a material adverse effect on its business, results of operations, financial condition and prospects and, accordingly, the Issuer's ability to meet its obligations under the Notes.

Counterparty risks

Many major international financial institutions are counterparties to the interest rate derivatives, foreign exchange contracts, deposits and investments contracted by the Group. In the case of default by such a counterparty, the Issuer could lose all or part of its deposits and investments or may lose the benefit from hedges signed with such counterparties. This could then result in an increase in interest rate or currency exposure and thus have a negative impact on the Group's results and/or its financial condition.

Breach of covenants

The Issuer and the investment funds (including unit trusts) and joint ventures in which it has an interest have outstanding secured and unsecured indebtedness. The secured debt consists primarily of securitisations, loan notes, credit facilities and debentures, while its unsecured debt consists of

revolving credit facilities, sterling unsecured bonds, convertible bonds and bonds issued in private placements. The terms of the secured debt contain financial covenants that may limit the discretion of the Issuer and the investment funds and joint ventures through which it holds certain property interests in operating their respective businesses. The secured and unsecured indebtedness contain financial covenants in relation to income and asset coverage ratios as well as ratios on the amount of net unsecured indebtedness. If the Issuer or any investment funds or joint ventures in which it has an interest is unable to comply with applicable financial covenants, including as a result of events outside of its control, such as severe economic downturns or a change of control at the relevant borrower entity, it could lead to the acceleration of the related debt and the acceleration of debt under any other debt instruments containing cross-acceleration or cross-default provisions. If the debt owed by the Issuer or any investment funds or joint ventures in which it has an interest were to be accelerated or cross-accelerated, the Issuer may not be able to refinance or otherwise repay its indebtedness, which could have a material adverse effect on its business, financial condition, results of operations, future prospects and, accordingly, the Issuer's ability to meet its obligations under the Notes.

Key personnel

The Group's business model requires a number of critical business processes and decisions to lie in the hands of a relatively low number of staff. The departure of these individuals could cause disruption to the management structure, an increase in costs associated with staff replacement, lost business relationships and/or reputational damage, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Insurance

The Issuer does not have insurance coverage for certain types of catastrophic losses, which are not insurable or for which economically reasonable insurance is unavailable. In addition, there can be no guarantee that the Issuer's current insurance coverage will not be cancelled, will become insufficient, or become uneconomic to procure in the future. If the Issuer were to find itself insufficiently insured it may be required to cover the costs associated with rectifying the issue, such as meeting the costs to repair or rebuild a damaged asset, or may lose the value of the damaged asset altogether, which could have a negative impact on the Group's results and/or its financial condition and, accordingly, the Issuer's ability to meet its obligations under the Notes.

UK European Union ("EU") Referendum

The outlook for the UK economy following the UK's EU Referendum (as defined below) and the exercise by the UK Government of its right under Article 50 of the Lisbon Treaty to leave the EU is uncertain.

Pursuant to the European Referendum Act 2015, a referendum on the United Kingdom's membership of the EU (the **UK's EU Referendum**) was held on 23 June 2016 with the majority voting to leave the EU. The UK Government exercised its right under Article 50 of the Lisbon Treaty to leave the EU at the end of March 2017. Article 50 of the Lisbon Treaty envisages a two-year timeframe for negotiating a withdrawal from the EU and the UK was due to leave the European Union on 29 March 2019. On 10 April 2019, this date was extended to 31 October 2019, with a review to be held on 30 June 2019. As part of the withdrawal negotiations, it is anticipated that there will be a transition period until 31 December 2020.

Whilst the consequences of the UK's decision to leave the EU remain uncertain, and are likely to be affected by the length of time it takes for the UK to leave the EU, and the terms of any future

arrangements the UK has with the remaining member states of the EU, it is possible that there will be a negative impact on general economic conditions and business and consumer confidence in the UK, which may in turn have a negative impact elsewhere in the EU and more widely. The UK's decision to leave the EU could also lead to instability in the foreign exchange markets, including volatility in the value of the pound sterling and/or the euro.

Further, the ongoing uncertainty as to the type of ongoing relationships the UK will have with the EU and other global trade terms after exiting the EU could cause a slowdown in investment decisions which could lead to a reduction in property values, a slowdown in occupational decisions which could lead to a reduction in rental income and increased void costs associated with higher vacancy levels, and could also lead to significant changes in laws and regulations. These items, along with any other items impacting the economic health of the UK, could all have a negative impact on the Group and/or the value of its assets and accordingly could have a negative impact on the Group's results and/or its financial condition and, accordingly, the Issuer's ability to meet its obligations under the Notes.

No assurance can be given that the impact of the UK's EU referendum, and subsequent terms agreed for the UK to leave the European Union, will not adversely affect the market value and/or the liquidity of the Notes in the secondary market and/or the ability of the Issuer to satisfy its obligations under the Notes. Prospective investors should ensure that they are aware of current global and UK macro-economic and financial conditions and should take these factors into account when evaluating the risks and merits of an investment in the Notes.

Regulatory and health and safety risk

In each of the jurisdictions in which the Group operates, it has to comply with laws, regulations and administrative policies which relate to, among other matters, listing regulations, tax, real estate investment trusts (**REITs**), financial accounting, planning, developing, building, land use, fire, health and safety, the environment and employment. These regulations often give broad discretion to the administering authorities. Each aspect of the regulatory environment in which the Group operates is subject to change, which may be retrospective, and changes could affect operational costs, costs of property ownership, the rate of building obsolescence and the value of properties.

There can be no guarantee that incidents or accidents are not suffered by the Group's employees, contractors or third parties at the Group's properties. If any incidents occur or the Group breach any of the regulatory requirements it is subject to then the Group could be subject to prosecutions and litigations which could lead to fines, penalties, damages and reputational harm. These incidents could therefore have a direct financial consequence both in terms of remediation and in relation to the penalties themselves. They could also impact the occupier and investor demand for the Group's properties. The Issuer's ability to fulfil its obligations under the Notes may therefore be adversely affected.

REIT-related risks

The group of companies of which the Issuer is the principal company (for the purposes of section 606 Corporation Tax Act 2010) converted to REIT status on 1 January 2007. Broadly, the effect of being a REIT is that the Issuer and certain of its subsidiaries (the **BL REIT Group**) benefit from an exemption from UK corporation tax on income from its "property rental business" (as defined in section 519 of the Corporation Tax Act 2010) and on gains arising on disposal of investment properties that were used for the purposes of its property rental business.

Since 1 January 2007 the BL REIT Group has satisfied the conditions now set out in Part 12 of the Corporation Tax Act 2010 in each accounting period ended before the date of this Base Prospectus

and has therefore maintained REIT status. Noteholders should be aware that a number of conditions will need to continue to be satisfied in order for REIT status to be maintained in respect of the BL REIT Group. These conditions may limit the Group's flexibility and are not fully under the Group's control. In addition, certain tax liabilities may arise for the BL REIT Group under the UK REIT regime, for example:

- (i) in the event that the Issuer does not make sufficient distributions to its shareholders;
- (ii) in the event of a breach of the profit: financing-cost ratio as described in section 543 of the Corporation Tax Act 2010; or
- (iii) if the Issuer makes a distribution to, or in respect of, a person who is a "holder of excessive rights" as defined in section 553 of the Corporation Tax Act 2010.

Although the Issuer currently intends to maintain REIT status, there is no guarantee that this will remain the case and/or that liabilities arising under the UK REIT regime will not arise. Changes to the legislative provisions relating to REITs, or their interpretation, could also adversely affect the Issuer's ability to fulfil its obligations under the Notes.

Discontinuation of LIBOR and other benchmarks

On 27 July 2017, the Financial Conduct Authority (**FCA**), which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. In light of the Benchmark Regulation, and benchmark reform more generally, other benchmarks (including, for example, EURIBOR) could be subject to similar announcements. This may cause LIBOR and other benchmarks to be administered differently, to perform differently than they did in the past, to be discontinued or there may be other consequences that cannot be predicted. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates, and as to potential changes to such benchmarks or their administration may adversely affect such benchmarks during the term of the relevant Notes (such as Floating Rate Notes), the return on the relevant Notes and the trading market for securities based on the same benchmark.

Investors should be aware that, if LIBOR or any other benchmark (including, for example, EURIBOR) was discontinued or otherwise unavailable, the rate of interest on any Notes which reference LIBOR or such other benchmark (such as Floating Rate Notes) will be determined for the relevant period by the fall-back provisions applicable to such Notes (as further described in Condition 4(b)(ii)). Depending on the manner in which LIBOR (or such other benchmark) is to be determined under the Conditions of the relevant Notes, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the relevant rate or rates at which reference banks were offered deposits which, depending on market circumstances, may not be available at the relevant time or may provide a different result than if LIBOR (or such other benchmark) had continued or continued to be administered in its previous form; or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR (or such other benchmark) was available. In circumstances where such benchmark continues to be available but is administered differently or performs differently, this could have an adverse effect on the value or liquidity of or return on any such Notes which reference LIBOR or such other benchmark (including Floating Rate Notes).

The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” are the subject of recent national and international regulatory guidance and proposals for reform. 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, 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”.

The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

These reforms (including the Benchmark Regulation) could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, 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. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead 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 or referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

Risks related to the structure of a particular issue of Notes

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

Structural subordination to subsidiary debt

The Group’s operations are principally conducted through subsidiaries of the Issuer. Accordingly, the Issuer is, and will be, dependent on its subsidiaries’ operations to service the Issuer’s payment obligations in respect of the Notes. The Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer’s subsidiaries, and to all secured creditors of the Issuer and its subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of

the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of any Notes. 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 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.

Redemption prior to maturity for tax reasons

If the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any change in or amendment to the laws or regulations of the United Kingdom or any political subdivision thereof or of any authority therein or thereof having the power to tax or in the application or official interpretation thereof and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may be entitled to redeem all outstanding Notes in accordance with the Conditions. It may not be possible for an investor to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and this may only be possible at a significantly lower rate.

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

Risks related to Notes generally

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

Certificate of material prejudice for Event of Default

Condition 9 contains the Events of Default. For an event to constitute an Event of Default, in a number of cases, the Trustee must first certify in writing to the Issuer that such event is in its opinion materially prejudicial to the interests of the Noteholders. It may be difficult for the Trustee to determine that such is the case and the Trustee may seek outside professional advice before exercising its discretion in such circumstances. This may delay any action being taken and it may be that although a Potential Event of Default (as defined in the Trust Deed) has occurred, the Trustee would be unable to so certify meaning no Event of Default would arise and, consequently, no remedy pursuant to Condition 9(a) may be sought.

Modification, waivers and substitution

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

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of any successor in business to the Issuer or of a Subsidiary either of the Issuer or any successor in business to the Issuer as principal debtor under any Notes in place of the Issuer or any successor in business to the Issuer, in the circumstances described in Conditions 14 and 15.

Regulatory restrictions

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

New Global Notes

Notes issued in NGN form are intended to be held in a manner which will allow Eurosystem eligibility; however, prospective investors are advised that this does not automatically mean that Notes will be recognised as eligible collateral 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.

Notes where denominations involve integral multiples: definitive Notes

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 smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, 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 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 at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

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.

Inflation risk

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced at rising inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

Temporary Global Note or Permanent Global Note will be held by or on behalf of Euroclear and Clearstream, Luxembourg

The Notes will be represented by a Temporary Global Note or a Permanent Global Note which will be held by or on behalf of Euroclear and Clearstream, Luxembourg. Consequently, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Each Temporary Global Note and Permanent Global Note will be deposited with Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Temporary Global Note or the Permanent Global Note (as the case may be), investors will not be able to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the interests in each Temporary Global Note and Permanent Global Note. While Notes are represented by a Temporary Global Note or a Permanent Global Note, investors will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While Notes are represented by a Temporary Global Note or a Permanent Global Note, the Issuer will discharge its payment obligations under the Notes by making payments to the Common Depositary or Common Safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their accountholders. A holder of an interest in a Temporary Global Note or a Permanent Global Note (as the case may be) must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in a Temporary Global Note or a Permanent Global Note.

Holders of interests in a Temporary Global Note or a Permanent Global Note will not have a direct right to vote in respect of the relevant Series of Notes. Instead, such holders will be permitted to act only to the extent that they are enabled to by Euroclear or Clearstream, Luxembourg.

Changes in law may adversely affect returns to holders of the Notes

The Conditions are based on English law and administrative practice in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus. Any change in the Issuer's tax status (or that of other members of the Group) or taxation legislation or practice could affect the Issuer's ability to provide returns to the Noteholders or alter post tax returns to the Noteholders. Commentaries in this Base Prospectus concerning the taxation of investors in the Notes are based on current United Kingdom tax law and practice which is subject to change, possibly with retrospective effect. The taxation of an investment in the Issuer depends on the individual circumstances of investors.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest 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 for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

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

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.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

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

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If

the terms and conditions of any Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of Notes bearing fixed or floating rate interest because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Credit ratings may not reflect all risks

Fitch may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. The ratings given by Fitch will be disclosed in the Final Terms and certain information with respect to Fitch and its ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Financial Conduct Authority shall be incorporated in, and form part of, this Base Prospectus:

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2018 which appear on pages 98 to 163 of the annual report for the year ended 31 March 2018 (the **2018 Annual Report**);
- (b) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2019 which appear on pages 116 to 183 of the annual report for the year ended 31 March 2019 (the **2019 Annual Report**); and
- (c) the terms and conditions contained in pages 26 to 61 of the base prospectus relating to the Programme dated 8 August 2017.

The above-mentioned documents may be inspected as described in "*General Information*". For the avoidance of doubt, any documents or information incorporated by reference in the documents listed above shall not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. Where reference is made to a website in this Base Prospectus, the contents of that website shall not form part of this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus are available for viewing on the website of the Issuer (www.britishland.com) and can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London.

SUPPLEMENTAL BASE PROSPECTUS

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series (as defined below) of Notes issued by The British Land Company PLC (the **Issuer**) constituted by an amended and restated Trust Deed dated 9 July 2019 (as further amended, restated, modified and/or supplemented from time to time, the **Trust Deed**) made between the Issuer and Apex Corporate Trustees (UK) Limited (the **Trustee**, which expression shall include all persons for the time being trustee or trustees under the Trust Deed and any successor as Trustee) as trustee for the Noteholders (as defined below).

These terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes, Coupons and Talons referred to below.

References herein to the **Notes** shall be references to the Notes of this Series only and not to all Notes that may be issued under the Programme and shall mean:

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

Reference herein to **NGN** shall mean a Temporary Global Note or a Permanent Global Note in either case where the applicable Final Terms specify the Notes as being in NGN form.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement dated 21 September 2016 (as further amended, restated, modified and/or supplemented from time to time, the **Agency Agreement**) and made between the Issuer, the Trustee and The Bank of New York Mellon as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any additional or successor issuing and principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest-bearing definitive Notes have interest coupons (the **Coupons**) and, in the case of Notes which (when issued in definitive form) have more than 27 interest payments remaining, talons for further Coupons (the **Talons**) attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons attached on issue. Global Notes do not have Coupons or Talons attached on issue.

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

Conditions). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

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

Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during normal business hours at the specified office for the time being of each of the Paying Agents. Copies of the applicable Final Terms may be obtained from, the registered office of the Issuer at York House, 45 Seymour Street, London W1H 7LX, United Kingdom. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service.

The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of any inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

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

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denomination(s) (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

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

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Trustee and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall incur no liability for so doing but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

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

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes (and any Coupons relating thereto) constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. COVENANTS

The Issuer shall procure that so long as any of the Notes remains outstanding (as defined in the Trust Deed),

- (a) Net Borrowings shall not at any time exceed 175 per cent. of Adjusted Capital and Reserves; and
- (b) Net Unsecured Borrowings shall not at any time exceed 70 per cent. of Unencumbered Assets.

For the purpose of this Condition 3:

Accounts Date means the date of the Latest Consolidated Accounts.

Adjusted Capital and Reserves means, at any time, the amount of the issued and paid up share capital of the Issuer (for which purpose an issue or proposed issue of share capital for cash which has been unconditionally underwritten shall be deemed paid up to the extent that the underwriters are liable therefor but only if such capital will be paid up within six months from the date when such underwriting liability becomes unconditional) and the aggregate amount standing to the credit of the consolidated capital and revenue reserves of the Issuer and its Subsidiaries (including any share premium account, capital redemption reserve, revaluation reserve, other reserves and the credit or debit balance on the profit and loss account) all as shown in the Latest Consolidated Accounts but:

- (i) adjusted as may be appropriate to take account of:
 - (A) any increase in or reduction of such share capital and such reserves (other than in respect of any unaudited profit or loss attributable to the ordinary course of trading) since the Accounts Date,
 - (B) the external valuation surplus arising in respect of any Assets stated in the Latest Consolidated Accounts,
 - (C) any increase in or reduction of such reserves arising as a result of a Revaluation,
 - (D) any distributions in cash or specie made (otherwise than to the Issuer, or any Subsidiary of the Issuer and attributable, directly or indirectly, to the Issuer) from such reserves or profit and loss account since the Accounts Date and not provided for therein,
 - (E) any Subsidiary of the Issuer not consolidated in the Latest Consolidated Accounts or any companies which since the Accounts Date have become or have ceased to be Subsidiaries of the Issuer, and
 - (F) any other variation in the Issuer's interests in Subsidiaries of the Issuer since the Accounts Date;
- (ii) after excluding any sums set aside for taxation (whether in respect of deferred tax or otherwise);
- (iii) after deducting all amounts (if any) attributable to goodwill or any other intangible assets unless such amounts were included in the Latest Consolidated Accounts (or, in the case of any company which has become a Subsidiary of the Issuer since the Accounts Date, in the most recent audited accounts of such company);
- (iv) after excluding any amount attributable to outside interests in Subsidiaries;
- (v) after making such other adjustments (if any) as the auditors for the time being of the Issuer may consider appropriate; and
- (vi) after excluding any increase or decrease in the amount of any reserve made (save in relation to any equity instrument) as a result of any requirement that any gain or loss arising from a change in the fair value of a financial asset or of a financial liability be recorded in reserves, whether by inclusion in the profit and loss account or otherwise. (For the purpose of this provision the terms "financial asset" and "financial liability" shall not include property assets or property liabilities).

Assets means, at any time, all

- (i) investment, development and trading properties;
- (ii) investments in joint ventures (provided that no joint venture investment shall be included in the calculation at a figure of less than zero);
- (iii) other investments; and
- (iv) such other assets (if any) the inclusion of which the auditors for the time being of the Issuer may from time to time consider appropriate,

and **Asset** means any one of them.

Borrowings means, at any time

- (i) the principal amount of all moneys borrowed (with or without security) by any member of the Group;
- (ii) the nominal amount of the issued share capital (other than equity share capital which, as regards capital, has rights no more favourable than those attached to its ordinary share capital) of any Subsidiary of the Issuer which is not beneficially owned by the Issuer or another, wholly owned, Subsidiary of the Issuer;
- (iii) the maximum amount for the time being outstanding for which any member of the Group has given security or is liable as guarantor or indemnifier or in any other like capacity in respect of:
 - (A) obligations for redemption of any share capital of any body corporate (other than share capital which is beneficially owned by any member of the Group); or
 - (B) the principal amount of borrowings, loan capital or other indebtedness of any person other than a member of the Group or, to the extent that it would not otherwise constitute Borrowings, any member of the Group;
- (iv) the principal amount raised by any member of the Group by acceptances (not being acceptances in relation to the purchase of goods or services in the ordinary course of trading which have been outstanding for 180 days or less) or under any acceptance credit opened on its behalf by a bank or accepting house;
- (v) the principal amount of any debenture (as defined by section 738 of the Companies Act 2006) of any member of the Group, provided however that in the case of a debenture where (ignoring any amounts payable by way of interest) the issue price is less than the amount payable on final redemption, (i) the principal amount shall be the accreted value; and (ii) the accreted value shall not be lower than the issue price nor higher than the amount payable on final redemption;
- (vi) the principal amount outstanding by any member of the Group under a finance lease. For the avoidance of doubt, rents payable in respect of leaseholds of immovable property entered into in the ordinary course of business shall not be deemed to be finance leases for these purposes; and

- (vii) principal amounts outstanding which do not otherwise fall to be treated as Borrowings of any member of the Group under any other paragraph of this definition if they are treated as borrowings in the Latest Consolidated Accounts;

but shall not include:

- (a) any amount included in a balance sheet of a member of the Group or in a consolidated balance sheet of the Group (save in relation to any equity instrument) as a result of any requirement that financial assets or financial liabilities be carried on such balance sheet at fair value. (For the purpose of this provision the terms “financial asset” and “financial liability” shall not include property assets or property liabilities);
- (b) amounts which would otherwise be Borrowings which are intended to be applied within six months of being borrowed or raised in the repayment of Borrowings then outstanding pending their application for such purpose or the expiration of such period whichever shall be the earlier;
- (c) a proportion of the Borrowings of any partly-owned Subsidiary of the Issuer (but only to the extent that an amount equivalent to such proportion exceeds Borrowings (if any) from such partly-owned Subsidiary of the Issuer by another member of the Group) such proportion being that which the issued ordinary share capital of such partly-owned Subsidiary of the Issuer which is not for the time being beneficially owned directly or indirectly by the Issuer bears to the whole of the issued ordinary share capital of such partly-owned Subsidiary of the Issuer; or
- (d) any amount which would otherwise be a Borrowing but which is owed by one member of the Group to another member of the Group;

and so that:

- (x) any company which it is proposed shall become or cease to be a Subsidiary of the Issuer contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a Subsidiary of the Issuer; and
- (y) for the avoidance of doubt, amounts prospectively payable for the hire or lease of movable or immovable property (other than under a finance lease as described in paragraph (vi) above) shall not be deemed to be Borrowings notwithstanding that a capital amount in respect of such amounts may be included as a liability in the Latest Consolidated Accounts.

Group means the Issuer and its Subsidiaries from time to time.

Latest Consolidated Accounts means, at any date, the then latest consolidated financial statements of the Group (including the notes thereto) which have been audited and/or reported on by the auditors for the time being of the Issuer and published and distributed to the shareholders generally of the Issuer as the accounts of the Group.

Net Borrowings means, at any time, Borrowings less cash and deposits beneficially owned by any member of the Group.

Net Unsecured Borrowings means, at any time, Borrowings less

- (i) cash and deposits beneficially owned by any member of the Group which are not subject to a Security Interest;
- (ii) Secured Borrowings; and
- (iii) Non-Recourse Borrowings.

Non-Recourse Borrowings means, at any time, Borrowings (as identified in the Latest Consolidated Accounts or which, having arisen since the Accounts Date, the Issuer intends will be identified in the next consolidated accounts) made by a ring fenced special purpose company such that the lender has recourse for repayment of those Borrowings only to that company or its assets and (if applicable) to other Non-Recourse Companies or their assets.

Non-Recourse Company means a member of the Group whose Borrowings are Non-Recourse Borrowings, or to whom or against whose assets the lender of Non-Recourse Borrowings has recourse for their repayment.

Revaluation means a valuation of all or any Assets carried out by external valuers on an open market basis.

Secured Borrowings means, at any time, Borrowings the discharge of which is secured by a Security Interest.

Security Interest means a mortgage, pledge, charge, assignment, hypothecation or other agreement conferring security.

Subsidiary means (i) a subsidiary as defined in section 1159 of the Companies Act 2006; and (ii) a subsidiary undertaking as defined in section 1162 of the Companies Act 2006.

Unencumbered Assets means the aggregate Value of the Assets of the Group at the relevant date, as adjusted by deducting the Value of:

- (i) investments in joint ventures at such time included within Assets (save that a loan by a member of the Group to a joint venture which is made on commercial terms and fully secured by a first priority Security Interest but which is designated in the Latest Consolidated Accounts as an investment as required by accounting principles shall not be so deducted); and
- (ii) Assets over which a Security Interest has been granted and any other Assets to which a lender of Non-Recourse Borrowings has recourse for their repayment (each as identified in the Latest Consolidated Accounts or which, having arisen since the Accounts Date, the Issuer intends will be identified in the next consolidated accounts).

Value means

- (i) the value attributed to any Asset in the Latest Consolidated Accounts including (without limitation) any external valuation surplus;
- (ii) in the case of an Asset acquired by a member of the Group since the Accounts Date, the acquisition cost of such Asset or, in the case of an Asset owned by a Subsidiary acquired since the Accounts Date, the fair value attributed to such Asset in the acquisition; or

- (iii) in the case of an Asset the subject of a Revaluation since the Accounts Date, the open market value attributed to such Asset by the Revaluation.

The definitions set out in this Condition 3 shall be construed in a manner consistent with generally accepted accounting principles in the United Kingdom from time to time (**Current GAAP**), provided always that the covenants set out in this Condition 3 shall be deemed to be satisfied if at any time the Issuer would be in compliance with their terms were the definitions to be construed in accordance with generally accepted accounting principles in the United Kingdom as at 31 March 2003, notwithstanding that it may be in breach were the definitions to be construed in accordance with Current GAAP.

In each of the calculations or adjustments made for the purpose of this Condition 3, no amount shall be taken into account more than once.

A certificate addressed to the Trustee by two duly authorised persons of the Issuer as to the amount of the Net Borrowings, Adjusted Capital and Reserves, Net Unsecured Borrowings or Unencumbered Assets or as to compliance or otherwise by the Issuer with the covenants in this Condition 3 or as to any other defined term or figure required in connection with this Condition 3 (unless expressly stated otherwise) may, in the absence of manifest error, be relied upon by the Trustee and, if so relied upon, shall be conclusive and binding on the Issuer, the Noteholders and the Couponholders.

4. INTEREST

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market

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

In these Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

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

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

(b) **Interest on Floating Rate Notes**

(i) **Interest Payment Dates**

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

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur; or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

In these Conditions, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign

currency deposits) in each Additional Business Centre other than the TARGET2 System specified in the applicable Final Terms;

- (B) If TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(ii) **Rate of Interest**

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

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 4(b)(ii)(A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this Condition 4(b)(ii)(A), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) *Screen Rate Determination for Floating Rate Notes – LIBOR and EURIBOR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (1) above, no offered quotation appears or, in the case of (2) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the

Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified 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 the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), 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 is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this Condition 4(b)(ii)(B), **Specified Time** means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR) and **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer.

(C) *Screen Rate Determination for Floating Rate Notes – Constant Maturity Swap rate (CMS)*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Period will, subject as provided below, be determined by the Principal Paying Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

If the Relevant Screen Page is not available, the Principal Paying Agent shall request each of the CMS Reference Banks to provide the Principal Paying Agent with its quotation for the Reference Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Principal Paying Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest and the lowest quotation (or, in the event of equality, one of the lowest)).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Principal Paying Agent with such quotations, as provided in the preceding paragraph, the CMS Rate shall be determined by the Principal Paying Agent on such commercial basis as considered appropriate by the Principal Paying Agent in its absolute discretion, in accordance with standard market practice.

For the purposes of this Condition 4(b)(ii)(C),

CMS Rate shall mean, subject as provided in this Condition 4(b)(ii)(C), the applicable swap rate for swap transactions in the relevant Specified Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the Interest Determination Date in question, all as determined by the Principal Paying Agent.

CMS Reference Banks means (i) where the Specified Currency is euro, the principal office of five leading swap dealers in the Euro-zone inter-bank market, (ii) where the Specified Currency is pounds sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Specified Currency is U.S. dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Specified Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Principal Paying Agent.

Reference Swap Rate means:

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

year or less, to GBP-LIBOR-BBA with a designated maturity of three months;

- (c) where the Specified Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (d) where the Specified Currency is any other currency or if the relevant Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

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

Specified Time means 11.00 a.m. in the Relevant Financial Centre.

Designated Maturity, Margin, Specified Currency and Relevant Screen Page shall have the meaning given to those terms in the applicable Final Terms.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(ii) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(ii) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Principal Paying Agent, in the case of Floating Rate Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

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

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

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (I) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (II) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (III) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (IV) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (V) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Issuer by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the relevant Interest 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 Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 4(b)(v), **Designated Maturity** means, in relation to Screen Rate Determination, the period designated in the Reference Rate.

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and each competent authority, stock exchange and/or quotation system (if any) on which the relevant Floating Rate Notes are for the time being listed, traded and/or quoted and (in accordance with Condition 13) the Noteholders as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each competent

authority, stock exchange and/or quotation system (if any) on which the relevant Floating Rate Notes are for the time being listed, traded and/or quoted and (in accordance with Condition 13) to the Noteholders. For the purposes of this Condition 4(b)(vi), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

(vii) **Determination or Calculation by the Trustee**

If for any reason at any relevant time the Principal Paying Agent is unable to determine the Rate of Interest or the Principal Paying Agent is unable to calculate any Interest Amount in accordance with Conditions 4(b)(ii)(A), (B) or (C) (as the case may be) and in each case in accordance with Condition 4(b)(iv), the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 4(b), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent. The Issuer shall pay all reasonable expenses of the Trustee incurred in connection with any determination or calculation made pursuant to this Condition 4(b)(vii).

(viii) **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(b) and, whether by the Principal Paying Agent or the Trustee, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal 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.

(c) **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) as provided in the Trust Deed.

5. PAYMENTS

(a) **Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

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

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5(a) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose

nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, as applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream Luxembourg, as applicable.

(d) General provisions applicable to payments

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

Notwithstanding the foregoing provisions of this Condition 5, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) **Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) (in the case of Notes held in definitive form only) the relevant place of presentation; and
 - (B) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
 - (C) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(f) **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Issuer Call Optional Redemption Amount (if any) of the Notes;
- (v) the Investor Put Optional Redemption Amount (if any) of the Notes;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

(a) Redemption at maturity

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

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent and (in accordance with Condition 13) the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee as soon as practicable before the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee a certificate signed by two duly authorised persons of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above in which event it shall be conclusive and binding on the Noteholders and Couponholders.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent and (in accordance with Condition 13) the Noteholders (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Issuer Call Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot (in the case of Redeemed Notes represented by definitive Notes) and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion (in the case of Redeemed Notes represented by a Global Note) not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

Issuer Call Optional Redemption Amount means (i) the Par Redemption Amount; or (ii) the EIB Redemption Amount; or (iii) the Treasury Stock Redemption Amount, in each case as specified in the applicable Final Terms.

For the purposes of this Condition 6(c):

EIB Redemption Amount means an amount equal to the greater of (i) the principal amount of the Notes; and (ii) that price (expressed as a percentage) (as reported in writing to the Issuer and the Trustee by a financial adviser nominated by the Issuer and approved by the Trustee) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield (determined by reference to the middle-market price) on the Notes on the Relevant Date is equal to the Redemption Rate on the Relevant Date plus the Redemption Margin (as specified in the applicable Final Terms).

For these purposes, the **Gross Redemption Yield** on the Notes and on the Relevant EIB Bonds will be expressed as a percentage and will be calculated on the basis indicated by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" published on 8 June 1998 with effect from 1 November 1998 and updated on 16 March 2005 (and as further updated, supplemented, amended or replaced from time to time) page 5 or any replacement therefor or on such other basis as the Trustee may approve.

Par Redemption Amount means an amount equal to the principal amount of the Notes.

Redemption Rate means the Relevant EIB Redemption Rate or, if the Relevant EIB Redemption Rate is not able to be determined, such other rate as may be approved by the Trustee.

Relevant Date means the date which is two Business Days prior to the publication or dispatch of the notice of redemption under this Condition 6(c).

Relevant EIB Bonds means such pounds sterling bonds of the European Investment Bank (or successor thereto) as the Trustee (with the advice of an investment bank as may be approved by the Trustee) and the Issuer may determine (failing such determination, as determined by the Trustee with such advice) to be a benchmark bond, the duration of which most closely matches the then duration of the Notes (taking into account any scheduled amortisation of the Notes), as calculated by or on behalf of the Trustee. The Issuer shall pay all reasonable expenses of the Trustee incurred in connection with any such calculation.

Relevant EIB Redemption Rate means the Gross Redemption Yield (determined by reference to the middle market price) of the Relevant EIB Bonds.

Relevant Treasury Stock means such government stock as the Trustee (with the advice of an investment bank as may be approved by the Trustee) and the Issuer may determine (failing such determination, as determined by the Trustee with such advice) to be a benchmark gilt, the duration of which most closely matches the then duration of the Notes (taking into account any scheduled amortisation of the Notes), as calculated by or on behalf of the Trustee. The Issuer shall pay all reasonable expenses of the Trustee incurred in connection with any such calculation.

Treasury Stock Redemption Amount means an amount equal to the greater of (i) the principal amount of the Notes; and (ii) that price (expressed as a percentage) (as reported in writing to the Issuer and the Trustee by a financial adviser nominated by the Issuer and approved by the Trustee) (and rounded to three decimal places (0.0005 being rounded upwards)) at which the Gross Redemption Yield (determined by reference to the middle-market price) on the Notes on the Relevant Date is equal to the Gross Redemption Yield of the Relevant Treasury Stock on the Relevant Date plus the Redemption Margin (as specified in the applicable Final Terms).

For these purposes, the **Gross Redemption Yield** on the Notes and on the Relevant Treasury Stock will be expressed as a percentage and will be calculated on the basis indicated by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" published on 8 June 1998 with effect from 1 November 1998 and updated on 16 March 2005 (and as further updated, supplemented, amended or replaced from time to time) page 5 or any replacement therefore or on such other basis as the Trustee may approve.

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

If Investor Put is specified in the applicable Final Terms, if whilst any of the Notes remains outstanding (as defined in the Trust Deed) there occurs a Restructuring Event and within the Restructuring Period (i) (if on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement of the relevant Restructuring Event and (2) the date of the earliest Relevant Potential Restructuring Event Announcement (if any) there are Rated Securities) a Rating Downgrade in respect of that Restructuring Event occurs; or (ii) (if on the Relevant Announcement Date there are no Rated Securities), a Negative Rating Event

in respect of that Restructuring Event occurs (that Restructuring Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period together called a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice under either Condition 6(b) or 6(c)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at the Investor Put Optional Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Put Date.

For the purposes of this Condition 6(d):

A **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer (or of any Subsidiary which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more (**Rateable Debt**) from a Rating Agency or (ii) the Issuer does so seek and use such endeavours, but it is unable, as a result of such Restructuring Event, to obtain such a rating of at least investment grade (BBB- by Fitch/BBB- by S&P/Baa3 by Moody's, or their respective equivalents for the time being), provided that a Negative Rating Event shall be deemed not to have occurred in respect of a particular Restructuring Event if the Rating Agency declining to assign a rating of at least investment grade does not publicly announce or publicly confirm or inform the Trustee in writing at its request that its declining to assign a rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such investment grade rating is declined) or the Relevant Potential Restructuring Event Announcement;

Rated Securities means the Notes so long as they shall have an effective rating solicited by the Issuer from any Rating Agency and otherwise any unsecured and unsubordinated debt of the Issuer (or of any Subsidiary which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more which is rated at the request of the Issuer by any of the Rating Agencies (other than any unsecured and unsubordinated debt of the Issuer or of any Subsidiary which is guaranteed by the Issuer which is rated on the basis of the credit of a party other than the Issuer or such Subsidiary);

Rating Agency means any of Fitch or Moody's or S&P and their respective successors or any other rating agency of equivalent international standing specified by the Issuer from time to time in writing to the Trustee;

A **Rating Downgrade** shall be deemed to have occurred in respect of a Restructuring Event if within the Restructuring Period the rating assigned to the Rated Securities by any Rating Agency immediately prior to the Restructuring Event is (i) withdrawn or (ii) changed from an investment grade rating (BBB- by Fitch/Baa3 by Moody's/BBB- by S&P (or their respective equivalents for the time being) or better) to a non-investment grade rating (BB+ by Fitch/Ba1 by Moody's/BB+ by S&P (or their respective equivalents for the time being) or worse) or (iii) (if the rating assigned to the Rated Securities by any Rating Agency shall be below an investment grade rating (as described above)) lowered one full rating category (for example, from BB+ to BB or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Restructuring Event if the Rating Agency making the

change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event or the Relevant Potential Restructuring Event Announcement, provided that if on the Relevant Announcement Date the Rated Securities carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then any investment grade rating will apply to the exclusion of any non-investment grade rating, such that any change in a non-investment grade credit rating from another Rating Agency shall be disregarded for the purposes of this Condition 6(d).

Relevant Potential Restructuring Event Announcement means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Restructuring Event where within 180 days following the date of such announcement or statement, a Restructuring Event occurs;

A **Restructuring Event** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers), or any person or persons acting on behalf of any such person (s), at any time is/are or become(s) interested (within the meaning of Part 27 of the Companies Act 2006) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, in either case other than in circumstances which result in the Issuer being a wholly-owned subsidiary of a body corporate more than 50 per cent. of the share capital having the right ordinarily to vote on a poll at a general meeting of which is held by persons who received such share capital pursuant to a scheme or offer in their capacity as shareholders of the Issuer;

Restructuring Period means the period commencing on the Relevant Announcement Date ending 180 days after the date of the Restructuring Event (or such longer period in which the Rated Securities or Rateable Debt, as the case may be, is or are under consideration (announced publicly within the first mentioned period) for rating review or, as the case may be, rating by a Rating Agency).

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding shall, subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction, give notice (a **Put Event Notice**) to the Noteholders (in accordance with Condition 13) specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(d).

To exercise the right to require redemption of this Note, the holder of this Note must deliver such Note (if such Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg) to the Paying Agent (or evidence satisfactory to the Paying Agent that such Note will, following delivery of the Put Notice (as defined below), be held to its order or under its control) at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the longer of (a) the period of 45 days after a Put Event Notice is given and (b) the period from the giving of the Put Event Notice to the end of the Restructuring Period (the longer such period being the **Put Period**), accompanied by a duly completed and signed notice of exercise in the form (for the time being current)

obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(d).

If the relevant Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note, the holder of such Note must, within the Put Period, give notice to the Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper (as the case may be) for them to the Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Paying Agent for notation accordingly. Any Put Notice or other notice given pursuant to this Condition 6(d) shall be irrevocable except where prior to the due date of redemption the Notes shall have been declared due and repayable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice and instead to have his/her Note treated as if it had been declared due and repayable pursuant to Condition 9.

Any definitive Note (other than a Long Maturity Note) should be delivered together with all Coupons appertaining thereto maturing after the date (the **Put Date**) which is the seventh day after the last day of the Put Period failing which an amount will be deducted from the payment to be made by the Issuer on redemption of the Notes in accordance with the provisions of Condition 5.

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(d), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days' after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

(e) **Early Redemption Amounts**

For the purpose of Condition 6(b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

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

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

where:

“RP” means the Reference Price;

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

“y” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(f) **Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(g) **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6(f) (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(h) **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), 6(b), 6(c) or 6(d) or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(e)(iii) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the

Trustee (as the case may be) and notice to that effect has been given to the Noteholders (in accordance with Condition 13).

7. TAXATION

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

- (i) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 5(e)); or
- (iii) presented for payment by, or on behalf of, a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

As used herein:

Tax Jurisdiction means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and

the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Trustee (as the case may be) on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. PRESCRIPTION

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7), subject to the provisions of Condition 5(b).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. EVENTS OF DEFAULT

(a) Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events mentioned in Conditions 9(a)(ii), 9(a)(iii), 9(a)(iv), 9(a)(v) (other than the winding up or dissolution of the Issuer) or 9(a)(vi) below only if the Trustee has 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 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 (each an **Event of Default**) occurs:

- (i) the Issuer fails to pay within five Business Days of the due date any sum due from it under the Notes in the manner and currency in which it is expressed to be payable;
- (ii) the Issuer fails to observe or perform any of its other obligations under the Notes or the Trust Deed and, in the case of a failure capable of being remedied, that failure is not remedied within 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;
- (iii) any Indebtedness of the Issuer or any Principal Subsidiary:
 - (A) is not paid when due or within any applicable grace period granted in any agreement or instrument relating to that Indebtedness or, if the obligation to make payment of that Indebtedness is being challenged in good faith and by appropriate action in a manner consistent with legal advice, is not paid within three Business Days of the Issuer or Principal Subsidiary ceasing to challenge that such obligation is due; or
 - (B) becomes due and payable before its normal maturity by reason of a default or an event of default, however described;

provided that:

- (1) no such event as aforesaid shall constitute an Event of Default if the relevant Indebtedness is a Non-Recourse Borrowing;
- (2) no such event as aforesaid shall constitute an Event of Default unless the amount of the Indebtedness in question (either alone or when aggregated with other Indebtedness in respect of which the circumstances specified in either (a) or (b) shall concurrently be subsisting) shall equal or exceed £20,000,000 (twenty million pounds sterling) or 0.5 per cent. of the Adjusted Capital and Reserves, whichever is higher; and
- (3) for the purpose of determining whether the criterion set out in proviso (2) is satisfied, if the Indebtedness referred to in proviso (2) above (or any such) is not denominated in pounds sterling, the relevant Indebtedness shall be deemed to have been converted into pounds sterling on the date when such

Indebtedness became due and payable in accordance with its terms (the **Due Date**) at the spot rate of exchange for the purchase in the London foreign exchange market of the appropriate amount of the currency in which the relevant Indebtedness is denominated with pounds sterling at or about 11:00 hours two Business Days before such Due Date;

- (iv) the Issuer or any Principal Subsidiary (not being a Non-Recourse Company) is deemed, pursuant to the provisions of Section 123(1)(e) or (2) of the Insolvency Act 1986, to be unable to pay its debts, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;
- (v) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Principal Subsidiary or a receiver, administrative receiver, trustee, administrator or similar officer is appointed in respect of the Issuer or any Principal Subsidiary or over all or any material part of the revenues or assets of the Issuer or any Principal Subsidiary save, in any such case as aforesaid:
 - (A) in circumstances and on terms which have first been approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders, such approval not to be unreasonably withheld or delayed; or
 - (B) for the voluntary solvent winding-up of a Principal Subsidiary; or
 - (C) for any winding-up (previously notified in writing by the Issuer to the Trustee) of a Principal Subsidiary which does not have creditors who are not members of the Group, in circumstances where the relevant winding up will not have a material adverse effect on the business or financial condition of the Group, taken as a whole, or on the ability of the Issuer to comply with its obligations under the Notes; or
 - (D) when the event or events specified occur(s) in respect of a Non-Recourse Company,
- (vi) any execution or distress is levied against any asset of the Issuer or any Principal Subsidiary (not being a Non-Recourse Company) where such asset is a material asset of the Group and is not satisfied or discharged within 30 days or such longer period as the Trustee may permit or if the execution or distress is being challenged in good faith and by appropriate action in a manner consistent with legal advice, is not satisfied or discharged within 14 days of the Issuer or Principal Subsidiary ceasing to challenge such execution or distress.

(b) **Enforcement**

- (i) The Trustee may, in its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (A) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of not less than one-quarter in aggregate principal amount of the

Notes then outstanding; and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

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

(c) **Definitions**

For the purposes of this Condition 9:

Indebtedness means any indebtedness of a party (the first party) for or in respect of:

- (a) moneys borrowed or raised by whatever means (including by means of acceptances, deposits and finance leases and any liability evidenced by bonds, debentures or similar instruments); or
- (b) the purchase price of assets or services on terms which are deferred for a period in excess of 180 days from receipt of such assets or services; or
- (c) interest rate and/or currency exchange agreements, interest rate caps, collars and floors, future rate agreements, option agreements and other hedging agreements (each a **Hedging Agreement**) after deducting therefrom the indebtedness of the counterparty under the Hedging Agreement to the first party (to the extent authorised and required by the netting provisions set out in the relevant Hedging Agreement and the law by which such Hedging Agreement is governed),

Principal Subsidiary means at any time a Subsidiary (as defined in Condition 3):

- (a) the book value of whose tangible assets attributable to the Issuer (consolidated, in the case of a Subsidiary which itself has subsidiaries) represents (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated accounts of the Issuer and the Subsidiaries relate, is equal to) not less than 5 per cent, of the book value of the tangible assets of the Issuer and the Subsidiaries taken as a whole attributable to the shareholders of the Issuer, all as calculated respectively by reference to the then latest audited accounts (consolidated or unconsolidated, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and the Subsidiaries provided that:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated accounts relate, the reference to the then latest audited consolidated accounts for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the auditors for the time being of the Issuer (the **Auditors**); and
 - (ii) if, in the case of a Subsidiary which itself has subsidiaries, no consolidated accounts are prepared and audited, the book value of the tangible assets of such Subsidiary and its subsidiaries attributable to the Issuer shall be

determined on the basis of pro forma consolidated accounts of the relevant Subsidiary and its subsidiaries prepared by the Issuer and (if requested by the Trustee) audited for this purpose by the Auditors or the auditors for the time being of the relevant Subsidiary; or

- (b) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (b) on the date on which the consolidated accounts of the Issuer and the Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after such date by virtue of the provisions of paragraph (a) above or before, on or at any time after such date by virtue of the provisions of paragraph (c) below; or
- (c) to which is transferred assets or an undertaking which, taken together with the assets or undertaking of the transferee Subsidiary represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest relevant audited consolidated accounts of the Issuer and the Subsidiaries relate, are equal to) not less than 5 per cent, of the book value of the tangible assets of the Issuer and the Subsidiaries taken as a whole attributable to the shareholders of the Issuer, all as calculated as referred to in paragraph (a) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer the book value of the tangible assets of such transferor Subsidiary attributable to the Issuer represents (or, in the case aforesaid, is equal to) not less than 5 per cent, of the book value of the tangible assets of the Issuer and the Subsidiaries taken as a whole attributable to the shareholders of the Issuer, all as calculated as referred to in paragraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (c) on the date on which the consolidated accounts of the Issuer and the Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after such date by virtue of the provisions of paragraph (a) above or before, on or at any time after such date by virtue of the provisions of paragraph (b) above.

For the purposes of this definition if there shall at any time not be any relevant audited consolidated accounts of the Issuer and the Subsidiaries, references thereto herein shall be deemed to refer to a consolidation by the Auditors of the relevant unconsolidated audited accounts of the Issuer and the Subsidiaries.

A certificate signed by two duly authorised persons of the Issuer that, in their opinion, a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of a manifest error, be conclusive and binding on the Issuer, the Trustee, the Noteholders and the Couponholders.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such

costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

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

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

- (i) there will at all times be a Principal Paying Agent; and
- (ii) so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in a particular place, the Issuer shall maintain a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant competent authority, stock exchange and/or quotation system.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

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

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that such publication will be made in the *Financial Times* in London. 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 or admitted to trading.

Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 13.

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

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

14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons, these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented. The Trust Deed does not contain any provisions requiring higher quorums in any circumstances. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Trust Deed provides that a resolution, with or without notice, in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution duly passed at a

meeting of the Noteholders. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

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

The Trustee may agree with the Issuer, without the consent of the Noteholders or Couponholders, to:

- (a) any modification of the Notes, the Coupons, these Conditions or the Trust Deed which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of these Conditions, the Notes, the Coupons or the Trust Deed which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of the law.

The Trustee may also 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 Notes or the Trust Deed or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where in any such case it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and shall, unless the Trustee agrees otherwise, be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interest of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except, in the case of the Issuer, 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.

15. SUBSTITUTION

The Trustee may agree, without the consent of the Noteholders or Couponholders, to the substitution of any successor in business to the Issuer or of a Subsidiary either of the Issuer or any successor in business to the Issuer in place of the Issuer (or of any previous substitute under this Condition) as principal debtor under the Trust Deed, the Notes and the Coupons, subject to (a) in the case of a Subsidiary either of the Issuer or of any successor in business to the Issuer, the obligations of such Subsidiary in respect of the Trust Deed, the Notes and the Coupons being unconditionally and irrevocably guaranteed by the Issuer or such successor in business in a form satisfactory to the Trustee; (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and (c) certain other conditions set out in the Trust Deed being

complied with. Any such substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any such substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

16. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

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

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any of its Subsidiaries 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, (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.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders (and in accordance with the Trust Deed) to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the Issue Date, the amount and date of the first payment of interest thereon and/or the Issue Price and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Issuer may (from time to time), with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

18. ROUNDING

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

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

20. GOVERNING LAW

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

FORM OF THE NOTES

Initial Issue

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

- (i) where such Global Note is intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper; and
- (ii) where such Global Note is not intended to be issued in NGN form, as stated in the applicable final terms, be delivered on or prior to the original issue date of the Tranche to the Common Depository.

Upon deposit of the Temporary Global Note(s) with the Common Depository or the Common Safekeeper, as the case may be, 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. Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified as to whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held and depositing the Global Notes with the Common Safekeeper does not necessarily mean that the relevant 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.

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

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a Note represented by a Global Note must look solely to Euroclear and/or Clearstream, Luxembourg for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under such Global Note, subject to and in accordance with the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg. 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 and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note 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 the Exchange Date, either in whole or in part, upon certification as to non-U.S. beneficial ownership (in a form to be provided) for interests in a Permanent Global Note or, if so provided in the applicable Final Terms, for definitive Notes with, where applicable, interest coupons and talons attached.

In relation to any issue of Notes which are represented on issue by a Temporary Global Note exchangeable for Definitive Notes, such Notes shall be issued with a single Specified Denomination only. In no circumstances shall they be issued with a Specified Denomination plus one or more higher integral multiples of another smaller amount.

Permanent Global Notes

Each Permanent Global Note will be exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes” below, in part for definitive Notes with, where applicable, interest coupons and talons attached, only:

- (i) upon the occurrence of an Event of Default;
- (ii) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no successor clearing system is available; or
- (iii) if the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two duly authorised persons of the Issuer is given to the Trustee.

The Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if any of the events in (i), (ii) or (iii) above occurs. In the event of the occurrence of any of the events in (i), (ii) or (iii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange of the Permanent Global Note for definitive Notes.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, the Permanent Global Note will be exchangeable (free of charge to the holder) on or after the Exchange Date in part on one or more occasions for definitive Notes with, where applicable, interest coupons and talons attached if so provided in, and in accordance with, the Conditions (which will be set out in the applicable Final Terms).

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 after that on which notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the city in which the relevant clearing system is located.

Legend

The following legend will appear on all Permanent Global Notes and definitive Notes which have an original maturity of more than 365 days and on all interest coupons relating to such Notes:

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

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

Transfers

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

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

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

FORM OF FINAL TERMS

[MIFID II PRODUCT GOVERNANCE – SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, **MIFID II**); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A **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.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND, WITH EFFECT FROM SUCH DATE, SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE **EEA**). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF [DIRECTIVE 2014/65/EU, AS AMENDED (**MIFID II**) / MIFID II]; OR
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (AS AMENDED OR SUPERSEDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014, AS AMENDED (THE **PRIIPS REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA 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.]¹

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA) - [INSERT NOTICE IF CLASSIFICATION OF THE NOTES IS NOT "PRESCRIBED CAPITAL MARKETS PRODUCTS", PURSUANT TO SECTION 309B OF THE SFA OR "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)].²

[Date]

¹ Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

² Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

THE BRITISH LAND COMPANY PLC

Legal Entity Identifier (LEI): RV5B68J2GV3QGMRPW209

Issue of [Currency] [Aggregate Nominal Amount of Tranche] [Title of Notes] due [•]
under the £2,000,000,000

Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 July 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of Directive 2003/71/EC (as amended or superseded) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. 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 Base Prospectus. The Base Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from the registered office of the Issuer at York House, 45 Seymour Street, London W1H 7LX, United Kingdom and the specified office of the Principal Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a programme with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated [original date] [and the supplement[s] dated [date] to such base prospectus], which are incorporated by reference in the base prospectus dated 9 July 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (as amended or superseded) (the **Prospectus Directive**) and must be read in conjunction with the base prospectus dated 9 July 2019 [and the supplement[s]to it dated [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive. 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 Base Prospectus. The Base Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from the registered office of the Issuer at York House, 45 Seymour Street, London W1H 7LX, United Kingdom and the specified office of the Principal Paying Agent at One Canada Square, Canary Wharf, London E14 5AL, United Kingdom.]

1. Issuer: The British Land Company PLC
2. (i) Series Number: [•]
(ii) Tranche Number: [•]

- (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single series with [•] on the [Issue Date]/[exchange of the Temporary Global Note for interest in the Permanent Global Note as referred to in paragraph 23 below, which is expected to occur on [•]]/[Not Applicable]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount:
- (i) Series: [•]
- (ii) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
- 6 (i) Specified Denomination(s): [•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•]]
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [•]/[Issue Date]/[Not Applicable]
8. Maturity Date: [•]/[Interest Payment Date falling in or nearest to [•]]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [[LIBOR/EURIBOR/CMS] +/- [•] per cent. Floating Rate]
- [Zero Coupon]
- (see paragraph [14]/[15]/[16]below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[•] per cent. of their nominal amount]/[par]
11. Change of Interest Basis or Redemption/ Payment Basis: [•]/[Not Applicable]

12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [18]/[19]/[20] below)]
13. (i) Status of the Notes: Senior
- (ii) [Date [Board] approval for [•]]
issuance of Notes obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable]/[Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually]/[semi-annually]/[quarterly] in arrear]
- (ii) Interest Payment Date(s): [•]/[•] and [•]/[•],[•],[•] and [•] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date falling [on]/[in] [•]]/[Not Applicable]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[•]
- (vi) [Determination Date(s): [[•] in each year]/[Not Applicable]
15. Floating Rate Note Provisions [Applicable]/[Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Dates: [•]
- (ii) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (iii) Additional Business Centre(s): [•]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined; [Screen Rate Determination]/[ISDA Determination]

- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [•]
- (vi) Screen Rate Determination:
- Reference Rate: [[•]-month [•] [LIBOR]/[EURIBOR]]/[CMS]
 - Relevant Financial Centre: [London]/[Brussels]/[New York]
 - Interest Determination Date(s): [Second London business day prior to the start of each Interest Period]/[First day of each Interest Period]/[Second day on which the TARGET2 System is open prior to the start of each Interest Period]
 - Relevant Screen Page: [•]
 - Designated Maturity: [•]
- (vii) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (viii) Linear Interpolation: [Not Applicable]/[Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation].
- (ix) Margin(s): [+/-][•] per cent. per annum
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)]/[Actual/Actual]/[Actual/365 (Fixed)]/[Actual/365 (Sterling)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[•]

16. Zero Coupon Note Provisions [Applicable]/[Not Applicable]
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360][Actual/360][Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 6(b): Minimum period: [30] calendar days
Maximum period: [60] calendar days
18. Issuer Call: [Applicable]/[Not Applicable]
- (i) Optional Redemption Date(s): [•]/[Any date from (and including) [•] to (but excluding) [•]]
- (ii) Issuer Call Optional Redemption Amount: [Par Redemption Amount]/[EIB Redemption Amount]/[Treasury Stock Redemption Amount]/[In the case of the Optional Redemption Date(s) falling [on [•]]/[in the period from (and including) [•] to but (excluding) [•] [Par Redemption Amount]/[EIB Redemption Amount]/[Treasury Stock Redemption Amount]]
- (iii) Redemption Margin: [[+/-][•] per cent. per annum]/[Not Applicable]
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (v) Notice period: Minimum period: [15] calendar days
Maximum period: [30] calendar days
19. Investor Put: [Applicable]/[Not Applicable]
- Investor Put Optional Redemption Amount: [•] per Calculation Amount
20. Final Redemption Amount: [•] per Calculation Amount

21. Early Redemption Amount per [As per Condition 6(e)]/[•] per Calculation
Calculation Amount payable on Amount]
redemption for taxation reasons or
on event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of 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 and after the Exchange Date]

[Permanent Global Note exchangeable for
definitive Notes in the limited circumstances
specified in the Permanent Global Note]
23. New Global Note: [Yes]/[No]
24. Additional Financial Centre(s): [Not Applicable]/[•]
25. Talons for future Coupons to be [Yes, as the Notes have more than 27 coupon
attached to Definitive Notes: payments, Talons may be required if (on
exchange of the Notes into definitive form) more
than 27 coupon payments are still to be
made]/[No]

THIRD PARTY INFORMATION

[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:.....

Duly authorised

PART B - OTHER INFORMATION

1 LISTING

- (i) Listing: London
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market] 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] [have not been rated] [rated [•]] by [Fitch Ratings Limited].

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

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

4. YIELD (Fixed Rate Notes only)

- Indication of yield: [•]

5. OPERATIONAL INFORMATION

- (i) ISIN: [•]
- (ii) Common Code: [•]
- (iii) CFI: [Not Applicable]/[•], 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]
- (iv) FISN: [Not Applicable]/[•], 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]

(if the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")

- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg (together with the address of each such clearing system) and the relevant identification number(s): [Not Applicable]/[•]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]
- (viii) 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 does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- (i) U.S. Selling Restriction: [Reg S Compliance Category 2; TEFR [C]/[D]/[not applicable]]

- (ii) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

(If the Notes clearly do not constitute “packaged” products, or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no “key information document” will be prepared, “Applicable” should be specified)

- (iii) Prohibition of Sales to Belgian Consumers: [Applicable]/[Not Applicable]

(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

7. USE OF PROCEEDS

[As specified in the Base Prospectus]/[•]

8. BENCHMARK REGULATION

[[Specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]/[Not Applicable]

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for such other reason as may be specified in the applicable Final Terms.

DESCRIPTION OF THE ISSUER AND THE GROUP

The legal and commercial name of the Issuer is The British Land Company PLC. The Issuer was registered and incorporated in England and Wales on 26 February 1959 under registration number 621920 and operates under the Companies Act 2006 as a public limited company. The Issuer's registered office is located at York House, 45 Seymour Street, London W1H 7LX and the telephone number is +44 (0)20 7486 4466.

The Issuer is the parent company of the Group. As the parent company of the Group, the Issuer is in part dependent on receiving dividends and revenues from its subsidiaries.

The Issuer became a REIT in the UK on 1 January 2007, broadly allowing the Issuer and certain of its subsidiaries exemption from UK corporation tax on income from its property rental business and gains arising on disposal of investment properties that were used for the purposes of its property rental business and significantly increased flexibility for asset management. The Issuer is listed on the London Stock Exchange.

To the knowledge of the Issuer, it is not directly or indirectly controlled by any single shareholding group.

Activities of the Group

The Issuer is one of Europe's largest publicly-listed real estate companies. The Group owns, manages, develops and finances a portfolio of high quality commercial property, focused on retail locations around the UK and London offices. The Group has total assets in the UK, owned or managed, valued at 31 March 2019 at £16.2 billion (of which the Group's share is £12.3 billion).

The Group's strategy is to build an increasingly mixed-use business comprising three core elements – London campuses, a smaller Retail portfolio and residential. By providing the right mix of uses at each of their places, the Group drives enduring demand for space, supports rental growth and creates long-term sustainable value. The Group's customers range from international brands to local start-ups, generating £576m of gross rental income for the year ended 31 March 2019.

80 per cent. of the Group's assets lie within campuses or multi-let environments where the Group can curate the buildings and the spaces around them. This unique advantage enables the Group to create places which reflect the changing needs of the people who use them. The Group's properties are well connected, and well designed, with the right mix of uses, occupiers and services and events and activities that deliver attractive and engaging space – Places People Prefer.

The Group's Offices portfolio, which accounts for 51 per cent. of the portfolio, comprises three office-led campuses in central London. The campus approach enables them to respond to trends in the way people work and play, with a growing focus on retail and leisure as well as more flexible working. The Group's Retail portfolio is focused on Regional and Local multi-let centres, and accounts for 45 per cent. of the portfolio. It is tailored to reflect the changing role of physical retail in an omni-channel world. Increasingly the Group's focus is on providing a mix of uses and this is most evident at Canada Water, a 53-acre redevelopment opportunity where they have plans to create a new neighbourhood for London.

Sustainability is embedded throughout the business. The Group's places, which are designed to meet high sustainability standards, become part of local communities, provide opportunities for skills development and employment and promote wellbeing. The Group's strong sustainability performance is reflected in their rankings on external ESG (Environmental, Social and Governance) indices,

including a green star rating for the ninth consecutive year in the Global Real Estate Sustainability Benchmark, CDP A- score (2017: B) and inclusion in FTSE4Good and Dow Jones Sustainability Indices 2018.

In April 2016, British Land received the Queen's Award for Enterprise: Sustainable Development, the UK's highest accolade for business success for economic, social and environmental benefits achieved over a period of five years.

Objectives and Strategy

The Issuer's primary objective is to deliver sustainable long-term value for all its stakeholders by creating "Places People Prefer". Underpinning the Group's strategy for creating "Places People Prefer" are four key priorities:

Right places – creating great environments

- Invest in well-connected places, where there is potential for growth and regeneration
- Broaden the mix of uses to appeal to a wider range of occupiers and local communities
- Enhance and enliven the Group's spaces through placemaking
- Understand and respond to the changing needs of the people who use the Group's spaces.

Customer orientation – responding to changing lifestyles

- Customer insight based on a range of information helps the Group to deliver Places People Prefer
- Expand the use of technology to reflect its role in the way people work and shop

Capital efficiency – disciplined use of capital

- Actively recycle capital to maximise risk-adjusted returns
- Maintain an appropriate balance of risk in both development exposure and financial leverage

Expert people – the knowledge and skills to deliver

- Enhance key skill sets, including in more operational areas
- Share expertise through collaborative working
- Promote a diverse and inclusive culture

Portfolio

The Group's property portfolio is broadly divided between the Retail Portfolio, the Offices Portfolio and Canada Water. The Group focuses on those properties which offer what it believes are attractive risk-adjusted growth prospects.

As at 31 March 2019, the Group had total assets in the UK which are owned or managed, valued at £16.2 billion (of which the Group's share is £12.3 billion). The European Public Real Estate Association (the **EPRA**) topped up net initial yield including rent contracted from expiry of rent free periods and fixed uplifts not in lieu of rental growth was 4.7 per cent. and the portfolio had an annualised rent on a valuation basis of £547 million.

An analysis of the Group's portfolio valuation by sector as at 31 March 2019 is set forth below:

As at 31 March 2019 ⁽¹⁾	Total	Portfolio	EPRA Topped up Net Initial Yield ^(3,4,5)	Net Equivalent Yield ^(4,5)
	£m	%	%	%
Regional	2,764	22.4	5.0	5.3
Local	1,973	16.1	5.6	5.9
Multi-let	4,737	38.5	5.2	5.6
Department Stores and Leisure	323	2.6	6.1	5.6
Superstores	332	2.7	5.6	5.3
Solus and Other	185	1.5	6.2	5.6
Retail	5,577	45.3	5.3	5.6
West End	4,066	33.0	4.0	4.3
City	2,242	18.2	4.4	4.7
Offices	6,308	51.2	4.1	4.4
Residential⁽²⁾	128	1.0	-	-
Canada Water⁽⁶⁾	303	2.5	3.2	3.9
Total	12,316	100.0	4.7	5.0

Notes:

- (1) On a proportionally consolidated basis including the Group's share of joint ventures and funds.
- (2) Stand-alone residential.
- (3) Including rent contracted from expiry of rent-free periods and fixed uplifts not in lieu of rental growth.
- (4) Including notional purchaser's costs.
- (5) Excluding committed developments under construction, assets held for development and residential assets.
- (6) Yields reflect standing investment only.

Strategic Partnerships

The use of partnerships is an integral part of the Group's business and a key way in which it extends its capital base. Around half of the Group's assets are in joint ventures or funds, including their two largest single assets – Broadgate, an office campus in the City; and Meadowhall Shopping Centre. A subsidiary of the Issuer also acts as property adviser to the funds and receives performance and management fees in that capacity.

The Issuer's joint ventures with other commercial real estate developers, investors and occupiers enables the Issuer to leverage their equity, achieve benefits of scale and spread risk. The joint ventures enable the Group to access attractive investment opportunities alongside like-minded partners with complementary skills. Separate entities are formed for this purpose, controlled on a joint voting basis by a board carrying representation from each partner. The entities are able to raise finance on the strength of their assets, with no recourse to the partners, thereby significantly lowering the initial equity investments. The enterprise is shared by the partners, over an agreed lifetime for the venture.

The Group also owns more than 75 per cent. of Hercules Unit Trust (**HUT**). HUT continues to be treated as a subsidiary and is fully consolidated in the Issuer's financial statements, in line with international accounting standards. This also includes HUT's debt, all of which is non-recourse to the Issuer.

Development Programme

Development is an important part of the Group's business. It is one of the principal ways it can enhance their properties keeping them modern and aligned to customers' changing lifestyles.

Developments have delivered some of the Group's strongest returns, but are inherently higher risk, particularly when pursued on a speculative basis. The Group manages its development exposure carefully.

The majority of the Group's development has been focused on London; recent completions include 1 Finsbury Avenue at the Broadgate Campus, and the Group is currently on site at 100 Liverpool Street and 135 Bishopsgate, also at Broadgate, as well as 1 Triton Square at Regent's Place, where the office space is fully pre-let.

In retail, the strategy has been to invest in existing assets through retail and leisure extensions but longer term, the Group's plans focus on mixed use developments for example at Eden Walk, Kingston and Ealing Broadway where there is significant potential for residential use alongside retail and leisure.

Retail Portfolio

The Retail Portfolio had a total value of £5,577 million as at 31 March 2019 with properties positioned to reflect customer demand. The Retail Portfolio had occupancy of 96.7 per cent. and an average lease length of 8.0 years to expiry (7.0 years to break).

The Group's Retail portfolio provides high quality retail and leisure space with best in class services, reflecting modern consumer lifestyles. It provides places to shop, eat and be entertained; places which are convenient and accessible and which connect with local communities.

The Retail assets are aligned to the way people shop and the way retailers arrange their networks. The Regional centres attract visitors from a wide catchment for planned trips, with a breadth and depth of retail and leisure. The Local centres fit into the daily life of communities, providing convenience, and accessibility, with retail, social and community space and are particularly well-suited to click and collect.

The Group's approach reflects its understanding of occupiers and their customers. The Group regularly interacts with consumers across its assets, for example through shopper surveys to better understand how the way people like to shop is changing. This guides everything from the Group's investment in the portfolio to the occupiers it is targeting, enabling it to position the centres to be the best in their catchment for the range of shopper missions they serve.

These insights also guide the Group's placemaking activity across the portfolio. The Group hosts activities and events which strengthen its links with local communities, helping to drive loyalty and footfall.

The Group's two largest retail customers, Tesco and J Sainsbury plc, accounted for approximately 4.8 per cent. and 3.8 per cent. (reducing to 1.8 per cent. following the sale of 12 stores after 31 March 2019), respectively, of the Issuer's total rental income (including the Issuer's share of properties held through investment funds and joint ventures) as at 31 March 2019.

Offices Portfolio

The Offices Portfolio had a total value of £6,308 million as at 31 March 2019. The Group's offices portfolio is focused on London, with a concentration on prime assets in the City and West End of London – a place to live, work and do business.

The Group's Offices portfolio comprises their three London campuses at Broadgate, Regent's Place and Paddington Central, as well as high quality standalone buildings in well-connected and well-managed locations. The Group's campus approach is unique; enabling it to provide space which reflects the changing way people are working, with places that encourage collaboration and creativity and enable people to move seamlessly between work and leisure time. The campuses are increasingly mixed use, with retail, leisure and residential space and play an important role in the lives of local communities.

In 2017, the Group launched a new flexible workspace brand, Storey, to respond to growing demand for flexible space, both from the increasing number of small businesses in London and the Group's current occupiers. Storey space is now available across their campuses and in 2019 the Group launched Storey Club at their Paddington Central campus which provides high quality ad hoc workspace, meeting and events space for existing occupiers. Storey has been instrumental in introducing new occupiers to the Group's space, particularly in the growing technology segment.

The Group's standalone Office portfolio comprises high quality office buildings in areas which enables it to develop and trade opportunistically to provide liquidity and enhance returns.

The ease of doing business in London, its intellectual capital, culture, diversity and reputation for innovation underpins its long term appeal as a global business and cultural centre, and its capacity to evolve is well established. London has proved to be a magnet for growth sectors including media and technology, and this trend is influencing the type of space the Group is providing. Increasingly the Group's focus is on workspace which supports co-working and wellbeing, with environments which are compatible with the way people's work and leisure time overlap.

As at 31 March 2019, the Offices Portfolio had:

- occupancy of 97.7 per cent.;
- a weighted average lease term of 6.7 years to expiry (5.7 years to break);
- a net equivalent yield of 4.4 per cent.; and
- an average office contracted rent of £54.8 per square foot, against an average headline ERV of £63.5 per square foot.

The Group's largest office tenant is HM Government, which accounts for approximately 3.0 per cent. of the Issuer's total rental income, as at 31 March 2019.

Development Programme

The Group's development programme consists of committed projects where construction is underway and development prospects. Recently completed and committed developments are set out below:

As at 31 March 2019 ⁽¹⁾	Sector	BL Share	Square feet	PC Calendar Year	Current Value	Cost to Come	ERV	Let and under offer
		%	'000		£m	£m ⁽²⁾	£m ⁽³⁾	£m
1 Finsbury Avenue	Office	50	287	Q1 2019	153	11	8.2	4.7
Total Completed in Year			287		153	11	8.2	4.7
100 Liverpool Street	Office	50	521	Q1 2020	240	82	19.1	10.6
1 Triton Square ⁽⁴⁾	Office	100	366	Q4 2020	289	122	23.1	21.8
135 Bishopsgate	Office	50	335	Q3 2019	156	34	9.7	8.7
Plymouth (Leisure)	Retail	100	108	Q4 2019	29	14	3.1	2.1
Total Committed			1,330		714	252	55.0	43.2
Retail Capital Expenditure⁽⁵⁾						53		

Notes:

- (1) On a proportionally consolidated basis including the Group's share of joint ventures and funds (except area which is shown at 100%).
- (2) From 1 April 2019. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate.
- (3) Estimated headline rental value net of rent payable under head leases (excluding tenant incentives).
- (4) ERV let and under offer of £21.8m represents space taken by Dentsu Aegis. As part of this letting, Dentsu Aegis have an option to return their existing space at 10 Triton Street in 2021. If this option is exercised, there is an adjustment to the rent free period in respect of the letting at 1 Triton Square to compensate British Land.
- (5) Capex committed and underway within their investment portfolio relating to leasing and asset management.

Portfolio Statistics

The Group's property portfolio is characterised by high occupancy rates and long leases as shown in the following table, which sets forth the average occupancy rates and remaining lease length by sector:

As at 31 March 2019 ^(1,2)	Average Lease Length (years)		Occupancy Rate (%)	
	To Expiry	To Break	EPRA Occupancy	Occupancy ⁽³⁾
Regional	7.2	6.0	95.7	97.0
Local	6.9	5.6	94.7	95.3
Multi-let	7.0	5.8	95.3	96.2
Department Stores and Leisure	15.3	15.3	100.0	100.0
Superstores	12.2	12.2	100.0	100.0
Solus and Other	11.1	10.5	100.0	100.0
Retail	8.0	7.0	95.9	96.7
West End	6.8	5.7	97.2	98.3
City	6.6	5.7	93.2	96.6

Offices	6.7	5.77	95.8	97.7
Canada Water	5.6	5.5	98.5	98.7
Total	7.4	6.4	95.9	97.2

Notes:

- (1) On a proportionally consolidated basis including the Group's share of joint ventures and funds.
- (2) Space allocated to Storey is shown as occupied where there is a Storey tenant in place otherwise it is shown as vacant. Total occupancy would rise from 97.2 per cent. to 97.5 per cent. if Storey space were assumed to be fully let.
- (3) Including accommodation under offer or subject to asset management.

The Issuer believes that the Group's broad customer base provides diversification of risk. As at 31 March 2019, the largest customer (including customers of joint ventures) accounted for approximately 4.8 per cent. of the total contracted rent.

Directors and Senior Management of the Issuer

The directors and senior management of the Issuer, their position and principal activities outside the Group, where those are significant, are as follows:

Name	Position	Outside Directorships/Activities
John Gildersleeve	Non-Executive Chairman	Deputy Chairman of TalkTalk Telecom Group PLC Chairman of Noble Foods Ltd
Chris Grigg	Chief Executive	Member of the Executive Board of the European Public Real Estate Association. Non-Executive Director of BAE Systems PLC Board member of the British Property Federation Member of the 30% Club
Simon Carter	Chief Financial Officer	—
William Jackson	Senior Independent Director	Managing Partner of Bridgepoint Chairman of Prêt à Manger President of Dorna Sports SL
Lynn Gladden	Non-Executive Director	Shell Professor of Chemical Engineering at the University of Cambridge Executive Chair of the Engineering and Physical Sciences Research Council Fellow of the Royal Society Fellow of the Royal Academy of Engineering
Alastair Hughes	Non-Executive Director	Non-executive Director of Tritax Big Box REIT Non-executive Director of Schroders Real Estate Investment Trust Limited
Nicholas MacPherson	Non-Executive Director	Chairman of C. Hoare & Co Director of The Scottish American Investment

Name	Position	Outside Directorships/Activities
		Company PLC
Preben Prebensen	Non-Executive Director	Chief Executive of Close Brothers Group PLC
Tim Score	Non-Executive Director	Non-Executive Director of Pearson PLC Non-Executive Director of HM Treasury Trustee of the Royal National Theatre
Laura Wade-Gery	Non-Executive Director	Non-Executive Director of John Lewis Partnership PLC Non-Executive Director of NHS Improvement
Rebecca Worthington	Non-Executive Director	—
Brona McKeown	Company Secretary and General Counsel	—

John Gildersleeve will be stepping down as Chairman and from the Board at the end of the 2019 Annual General Meeting. Tim Score has been appointed to succeed John Gildersleeve as Chairman from the end of the 2019 Annual General Meeting.

The business address of the directors of the Issuer is c/o The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX. There are no potential conflicts of interest between the duties to the Issuer of the directors and their private interests and/or other duties.

TAXATION

United Kingdom Taxation

The comments below, which are of a general nature and are based on the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs (HMRC) practice as at the date of this Base Prospectus, relate only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. Some comments do not apply to certain classes of persons (such as dealers and persons connected or associated with the Issuer for relevant tax purposes) to whom special rules may apply. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective holders of Notes should be aware that the particular terms of issue of any Series of Notes as specified in the applicable Final Terms may affect the tax treatment of that and other Series of Notes. The United Kingdom tax treatment of prospective holders of Notes depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly advised to consult their own professional advisers.

- (1) Payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax as long as 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 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. In the case of Notes to be listed on the London Stock Exchange, which is such a recognised stock exchange, this condition will be satisfied if the Notes are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) by the FCA and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without deduction of or withholding on account of United Kingdom income tax.
- (2) In addition to the exemption referred to above, 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, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.
- (3) In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. 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, HMRC 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).
- (4) If Notes are redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest for United Kingdom tax purposes. In that event, payments thereof would be subject to the treatment outlined in Paragraphs 1 to 3 above.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. 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 the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under “*Terms and Conditions of the Notes — Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal had a very broad scope and their proposed FTT could, if introduced, apply to certain dealings in the Notes (in particular secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission’s Proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 9 July 2019 (as further amended, restated, modified and/or supplemented from time to time, the **Programme Agreement**) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

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

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

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

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

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in

relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

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

- (a) in relation to any Notes having 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 United Kingdom.

Belgium

Other than in respect of Notes for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the applicable Final Terms, each Dealer has represented and agreed that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article 1.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption

from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base 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 (Chapter 289) 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) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (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:

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

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

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed

capital markets products (as defined in the 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

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base 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 neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents 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 such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Subscription Agreement or Dealer Accession Letter or such other document as the Issuer and the relevant Dealer shall agree.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 23 November 2005. The update of the Programme has been authorised by a resolution of the Investment Committee of the Board of Directors of the Issuer dated 8 July 2019.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the 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. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Market. The listing of the Programme in respect of Notes is expected to be granted on or around 9 July 2019.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (i) the Articles of Association of the Issuer;
- (ii) the 2018 Annual Report and the 2019 Annual Report;
- (iii) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith;
- (iv) the Agency Agreement, the Trust Deed and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (v) a copy of this Base Prospectus; and
- (vi) any future offering circulars, base prospectuses, information memoranda, supplements to this Base Prospectus, Final Terms and any other documents incorporated herein or therein by reference.

Clearing Systems

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

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

Conditions for determining price

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

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the Group taken as a whole since 31 March 2019. There has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 March 2019.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), nor have there been such proceedings in the 12 months preceding the date of this document, which may have or have in such period had a significant effect on the financial position or profitability of the Group.

Auditors

PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, United Kingdom audited the Issuer's consolidated accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for the financial years ended on 31 March 2018 and 31 March 2019. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants of England and Wales. PricewaterhouseCoopers LLP has no material interest in the Issuer.

Trustee's reliance on Auditors' certificates and/or reports

The Trust Deed provides that the Trustee may rely on certificates and/or reports from Auditors (as defined therein) or any other expert in accordance with the Trust Deed whether or not such certificate or report or any engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on the liability of the Auditors or such other expert. Under the terms of the Programme, the Trustee will not necessarily receive a legal opinion in connection with each issue of Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

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

express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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