

SCHEDULE 1 AMENDED TERMS AND CONDITIONS OF THE 2025 NOTES

This Note is one of a series (each a "**Series**") issued pursuant to the £10,000,000,000 Global Medium Term Note Programme (the "**Programme**") established by CYBG PLC (the "**Issuer**") on 25 May 2017. This Note is constituted by a Trust Deed dated 25 May 2017 (as amended, restated, modified and/or supplemented as at the Issue Date (as defined below) of the first Tranche (as defined below) of the Notes of the relevant Series, the "**Trust Deed**") between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**" which expression shall wherever the context so admits include its successors) and has the benefit of an Agency Agreement dated 25 May 2017 (as amended, restated, modified and/or supplemented as at the Issue Date of the first Tranche of Notes of the relevant Series, the "**Agency Agreement**") made between, *inter alios*, the Issuer, the Trustee, Citibank, N.A., London Branch as initial principal paying agent and the other agents named therein. The principal paying agent, the paying agents, the registrar, the transfer agents and the calculation agent for the time being (if any) are referred to below, respectively, as the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Principal Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent**". The Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Notes in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during normal business hours at the office for the time being of the Principal Paying Agent (being as at 25 May 2017, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom).

Holders of Notes and, in relation to any Series of Bearer Notes, any coupons ("**Coupons**") or talons for further Coupons ("**Talons**") appertaining thereto are entitled to the benefit of, are bound by, and will be deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

The term "**Notes**" means debt instruments, by whatever name called, issued under the Programme. The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Notes issued under the Programme are issued in Series and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of the relevant final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions.

1. Interpretation

- (A) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

" **Adjustment Rate**" means, subject as provided below, the adjustment rate that is to apply in respect of any Interest Payment Date if an Index Cessation Event in respect of six-month sterling LIBOR has occurred on or before the Interest Determination Date, being the rate specified on Bloomberg screen "SBP0006M Index", or any successor page, as calculated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) in relation to Sterling LIBOR in such tenor on the date such Index Cessation Event occurs; **provided that** if, in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period shall be that determined as at the last preceding Interest Determination Date and such Rate of Interest was determined in accordance with Condition 6(C)(I), then the Adjustment Rate in respect of such Interest Period only shall be deemed to be 0 per cent.;

"**Authorised Signatories**" has the meaning given in the Trust Deed;

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

"**Benchmark Gilt Rate**" means, in respect of a Reset Period and subject to Condition 5(E) (*Fallback – Benchmark Gilt Rate*), the gross redemption yield (as calculated by the Calculation Agent in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reference Banks at 3.00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in London. If four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided;

"**Broken Amount**" means, in respect of any Notes, the amount (if any) that is specified in the relevant Final Terms;

"Business Day" means:

- (A) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (B) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (A) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (B) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (C) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (D) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:
 - (1) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (2) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (3) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(E) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Capital Regulations" means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (A) the Competent Authority and/or (B) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be organised or domiciled) and applicable to the Group, including, as at the date hereof, CRD IV and related technical standards;

"CMS Rate" means the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at (A) the Determination Time specified in the relevant Final Terms or (B) if no Determination Time is specified in the relevant Final Terms, 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question, all as determined by the Calculation Agent;

"CMS Rate Fixing Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in each CMS Rate Fixing Centre specified in the relevant Final Terms;

"Competent Authority" means the United Kingdom Prudential Regulation Authority or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Group;

"Compounded Daily SONIA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent, as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

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

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Couponholders" means the holders of the Coupons (whether or not attached to the relevant Notes);

"**CRD IV**" means the legislative package consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time, and the CRD IV Regulation;

"**CRD IV Regulation**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time;

"**d**" means, for the relevant Interest Period, the number of calendar days in such Interest Period;

"**d_o**" means, for the relevant Interest Period, the number of London Banking Days in such Interest Period;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(A) if "**Actual/Actual (ICMA)**" is so specified, means:

(1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and

(2) where the Calculation Period is longer than one Regular Period, the sum of:

(a) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(B) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(C) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

- (D) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (E) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows

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

where:

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

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

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

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

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

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

- (F) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

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

where:

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

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

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

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

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

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

- (G) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

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

where:

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

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

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

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

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (1) that day is the last day of February or (2) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (1) that day is the last day of February but not the Maturity Date or (2) such number would be 31, in which case D2 will be 30, **provided, however, that** in each such case the number of days in the Calculation Period is calculated from (and including) the first day of the Calculation Period to (but excluding) the last day of the Calculation Period;

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

"Designated Maturity" shall have the meaning specified in the relevant Final Terms;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"EURIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Eurozone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"Excluded Change" means any amendment to, or change in, the Loss Absorption Regulations to implement the proposals (other than the Excluded Proposal) in the form originally announced by the European Commission on 23 November 2016 in order to further strengthen the resilience of EU banks (the **"Proposals"**) or, if the Proposals have been amended as at the Issue Date of the first Tranche of Notes of the relevant Series, in the form as so amended as at such date;

"Excluded CIR Tax Change" means the taking effect or enactment of legislation which limits, by reference to specified measures of adjusted corporation tax earnings, the amount of tax relief that companies can claim for UK corporation tax purposes in respect of their UK interest expenses, and disallows deductibility for UK corporation tax purposes of corporate interest expense above such limits, except in circumstances where, in the opinion of independent tax advisers of international repute appointed by the Issuer, the relevant disallowance results from

- (A) legislation which is enacted in a form which is not identical in all material respects to Schedule 10 (*Corporate Interest Restriction*) of the draft Finance (No.2) Bill 2017 as published on 20 March 2017 (the **"20 March 2017 draft CIR Rules"**);
- (B) legislation separate from or additional or supplemental to the 20 March 2017 draft CIR Rules; (C) any modification or amendment to any such legislation subsequent to its enactment; or (D) any published practice of any tax authority published subsequently to the 20 March 2017 draft CIR Rules;

"Excluded Proposal" means the proposal for Article 72b(2)(o) contained in the proposal for a Regulation of the European Parliament and of the Council

amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements and amending Regulation (EU) No 648/2012 announced by the European Commission on 23 November 2016 requiring the contractual provisions of eligible liabilities to require that, where the resolution authority exercises write down and conversion powers in accordance with Article 48 of Directive 2014/59/EU, the principal amount of such eligible liabilities will be written down on a permanent basis or such eligible liabilities will be converted to Common Equity Tier 1 instruments;

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

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"First Margin" means the margin specified as such in the relevant Final Terms;

"First Reset Date" means the date specified in the relevant Final Terms;

"First Reset Period" means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date;

"First Reset Rate of Interest" means, in respect of the First Reset Period and subject to Condition 5(D) (*Fallback – Mid-Swap Rate*) and 5(E) (*Fallback – Benchmark Gilt Rate*) (as applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the First Margin;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Fixed Rate Note" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Floating Rate Note" means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or 12 months or at such other intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Group" means the Issuer and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Capital Regulations) of which the Issuer is part from time to time;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 2(B) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 2(D) (*Title to Registered Notes*);

"i" means, for the relevant Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

"Index Cessation Event" means an Index Cessation Event as defined in Supplement number 70 to the 2006 ISDA Definitions, as amended or supplemented from time to time, and, for the purposes of these Conditions and the definition of "Index Cessation Event" therein, the "Applicable Rate" as used therein is six-month Sterling LIBOR.

The Issuer shall notify the Calculation Agent of the occurrence of an Index Cessation Event and the date of the same as soon as practicable thereafter;

"Initial Rate of Interest" has the meaning specified in the relevant Final Terms;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" shall mean:

- (A) if the Reference Rate is not CMS Rate, the date specified as such in the relevant Final Terms, or if none is so specified:
 - (1) if the Reference Rate is LIBOR, the second London business day prior to the start of each Interest Period; or
 - (2) if the Reference Rate is EURIBOR, the second day on which TARGET2 is open prior to the start of each Interest Period; or
- (B) if the Reference Rate is CMS Rate, the date specified as such in the relevant Final Terms, **provided that** if any day specified as an Interest Determination Date in the relevant Final Terms is not a CMS Rate Fixing Day, the relevant Interest Determination Date shall be the immediately preceding CMS Rate Fixing Day;

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (A) as the same may be adjusted in accordance with the relevant Business Day Convention; or

- (B) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the first Interest Payment Date or next Interest Payment Date (as the case may be);

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Junior Securities" has the meaning given in Condition 3(B)(2) (*Tier 2 Capital Notes*);

"LIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

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

a **"Loss Absorption Disqualification Event"** shall be deemed to occur if as a result of any amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the first Tranche of Notes of the relevant Series (in each case other than an Excluded Change), the Notes are or (in the opinion of the Issuer or the Competent Authority and/or the Resolution Authority (as appropriate)) are likely to be fully or (if so specified in the relevant Final Terms) partially excluded from the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Issuer and/or the Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; **provided that** a Loss Absorption

Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group on the Issue Date of the first Tranche of Notes of the relevant Series;

"Loss Absorption Regulations" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom, the Competent Authority, the Resolution Authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in the United Kingdom and applicable to the Issuer and/or the Group including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Competent Authority and/or the Resolution Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer or to the Group);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Mid-Swap Maturity" has the meaning given in the relevant Final Terms;

"Mid-Market Swap Rate" means, for any Reset Period, the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (A) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (B) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (C) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent);

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro or the Reference Rate as specified in the relevant Final Terms;

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 5(D) (*Fallback – Mid-Swap Rate*), either:

(A) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

(1) with a term equal to the relevant Reset Period; and

(2) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(B) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(1) with a term equal to the relevant Reset Period; and

(2) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

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

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 2(B) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 2(D) (*Title to Registered Notes*);

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

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Loss Absorption Disqualification Event)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Regulatory Event)" means, in respect of any Tier 2 Capital Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"p" means 5 London Banking Days;

"Parity Securities" has the meaning given in Condition 3(B)(1) (*Tier 2 Capital Notes*);

"Payment Business Day" means:

- (A) if the currency of payment is euro, any day (other than a Saturday, Sunday or public holiday) which is:
 - (1) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or (b) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent has its Specified Office; and
 - (2) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (B) if the currency of payment is not euro, any day (other than a Saturday, Sunday or public holiday) which is:
 - (1) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or (b) commercial banks are open for general business (including dealings in foreign

currencies) in the city where the Principal Paying Agent has its Specified Office; and

- (2) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (A) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;
- (B) in relation to Australian dollars, it means Sydney; and
- (C) in relation to New Zealand Dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means (A) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms; and (B) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Termination Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Loss Absorption Disqualification Event), the Optional Redemption Amount (Put), the Optional Redemption Amount (Regulatory Event) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Reference Banks" (A) in the case of Notes other than Reset Notes and Floating Rate Notes where the Reference Rate is CMS Rate, has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in

the market that is most closely connected with the Reference Rate; (B) in the case of Floating Rate Notes where the Reference Rate is CMS Rate, (1) where the Reference Currency is euro, the principal office of four leading swap dealers in the Eurozone inter-bank market, (2) where the Reference Currency is pounds sterling, the principal London office of four leading swap dealers in the London inter-bank market, (3) where the Reference Currency is U.S. dollars, the principal New York City office of four leading swap dealers in the New York City inter-bank market, or (4) in the case of any other Reference Currency, the principal Relevant Financial Centre office of four leading swap dealers in the Relevant Financial Centre interbank market, in each case as selected by the Issuer; and (C) in the case of Reset Notes, has the meaning given in the relevant Final Terms or, if none (1) in the case of the calculation of a Mid-Market Swap Rate, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute or (2) in the case of the calculation of a Benchmark Gilt Rate, four brokers of gilts and/or gilt-edged market makers as selected by the Issuer on the advice of an investment bank of international repute;

"Reference Currency" has the meaning given in the relevant Final Terms;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" shall mean (A) LIBOR for the relevant currency specified in the relevant Final Terms or (B) EURIBOR, in each case for the relevant period as specified in the relevant Final Terms;

"Regular Period" means:

- (A) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date;
- (B) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (C) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

a "**Regulatory Event**" shall be deemed to occur if there is a change in the regulatory classification of the Tier 2 Capital Notes that becomes effective on or after the Issue Date of the first Tranche of the Tier 2 Capital Notes that results, or would be likely to result, in the whole or any part of the outstanding principal amount of the Tier 2 Capital Notes at any time being excluded from the Tier 2 Capital of the Group;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (A) the date on which the payment in question first becomes due and (B) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal, premium (if any) and interest on the Notes;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Swap Rate**" means:

- (A) where the Reference 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 EUREURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (B) where the Reference 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 (1) 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 Reference 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 Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice;

"Relevant Time" has the meaning given in the relevant Final Terms;

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

"Reset Date" means the First Reset Date and each Subsequent Reset Date (as applicable);

"Reset Determination Date" means, unless otherwise specified in the relevant Final Terms, the second Business Day prior to each relevant Reset Date;

"Reset Note" means a Note which bears interest at a rate of interest which is recalculated at specified intervals;

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"Reset Rate" means (A) if "Mid-Swap Rate" is specified in the relevant Final Terms, the relevant Mid-Swap Rate or (B) if "Benchmark Gilt Rate" is specified in the relevant Final Terms, the relevant Benchmark Gilt Rate;

"Reserved Matters" has the meaning given in the Trust Deed;

"Resolution Authority" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom (or if the

Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the recovery and/or resolution of the of the Issuer and/or the Group;

"Senior Creditors" means creditors of the Issuer (A) who are unsubordinated creditors of the Issuer; and (B) who are subordinated creditors of the Issuer (whether only in the event of a winding-up of the Issuer or otherwise) other than (1) those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders and relevant Couponholders or (2) those whose claims are in respect of Parity Securities or Junior Securities;

"SONIA Reference Rate" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if that page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day;

"SONIAi-pLBD" means, in respect of any London Banking Day "i", the SONIA Reference Rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i";

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

"SONIA" means the Sterling Overnight Index Average;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsequent Margin" means the margin(s) specified as such in the relevant Final Terms;

"Subsequent Reset Date" means the date or dates specified in the relevant Final Terms;

"Subsequent Reset Period" means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 5(D) (*Fallback – Mid-Swap Rate*) and 5(E) (*Fallback – Benchmark Gilt Rate*) (as applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the relevant Subsequent Margin;

"Subsidiary" means each subsidiary undertaking (as defined under Section 1159 of the Companies Act 2006) for the time being of the Issuer;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Tax Event" has the meaning given in Condition 9(C) (*Redemption for Tax Event*);

"Tier 1 Capital" means Tier 1 Capital for the purposes of the Capital Regulations;

"Tier 2 Capital" means Tier 2 Capital for the purposes of the Capital Regulations;

"Winding-Up" means if:

- (A) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of Noteholders and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions);
- (B) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; or
- (C) liquidation or dissolution of the Issuer or any procedure similar to that described in (A) or (B) above is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009;

"Winding-Up Event" means with respect to the Notes, if (1) a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer may be incorporated) makes an order for the winding-up of the Issuer which is not successfully appealed within 30 days of the making of such order or the Issuer's shareholders adopt an effective resolution for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of

a reorganisation, reconstruction, merger or amalgamation the terms of which, have previously been approved in writing by the Trustee or by an Extraordinary Resolution of Holders and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions); or (2) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; or (3) liquidation or dissolution of the Issuer or any procedure similar to that described in (1) or (2) above is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009; and

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms.

(A) **Interpretation:** In these Conditions:

- (1) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (2) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (3) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (4) any reference to principal shall be deemed to include the Redemption Amount, (in the case of Senior Notes only) any Additional Amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (5) any reference to interest shall be deemed to include any Additional Amounts which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (6) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed; and
- (7) if an expression is stated in Condition 1(A) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "Not Applicable" then such expression is not applicable to the Notes.

2. **Form, Denomination, Title and Transfer**

(A) **Bearer Notes:** Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue.

In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

- (B) ***Title to Bearer Notes:*** Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (C) ***Registered Notes:*** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (D) ***Title to Registered Notes:*** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (E) ***Ownership:*** The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such Holder.
- (F) ***Transfers of Registered Notes:*** Subject to Conditions 2(J) (*Closed periods*) and 2(K) (*Regulations concerning transfers and registration*), a Registered Note may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; ***provided, however, that*** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (G) ***Exercise of Options or Partial Redemption in Respect of Registered Notes:*** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the

case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (H) **Registration and delivery of Certificates:** Within five business days of the surrender of a Certificate in accordance with Condition 2(F) (*Transfers of Registered Notes*), the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 2(H) (*Registration and delivery of Certificates*), "**business day**" means a day on which commercial banks and foreign exchange markets settle payments generally in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (I) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (J) **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes or once notice of redemption of the Notes has been given in accordance with Condition 9 (*Redemption and Purchase*).
- (K) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (L) **No exchange:** Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

3. Status

The Notes are either senior Notes ("**Senior Notes**") or tier 2 capital Notes ("**Tier 2 Capital Notes**"), as specified in the relevant Final Terms.

(A) **Senior Notes**

The Senior Notes (and the Coupons relating thereto, if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer which rank *pari passu* without any preference among themselves and, in the event of a Winding-Up, will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law.

(B) **Tier 2 Capital Notes**

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) constitute direct unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves.

On a Winding-Up, claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed) and the Holders of Tier 2 Capital Notes and any related Coupons against the Issuer in respect of or arising under the Tier 2 Capital Notes and any related Coupons (including any damages awarded for breach of any obligations in respect of the Tier 2 Capital Notes or any related Coupons) will be subordinated in the manner provided herein and in the Trust Deed to the claims of all Senior Creditors but shall rank:

- (1) at least *pari passu* with all claims of holders of all other subordinated obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith ("**Parity Securities**"); and
- (2) in priority to the claims of holders of:
 - (a) all obligations of the Issuer which rank or are expressed to rank, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which rank or are expressed to rank, junior to the claims in respect of the Tier 2 Capital Notes and any related Coupons, including (without limitation) obligations which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith; and
 - (b) all classes of share capital of the Issuer(together, the "**Junior Securities**").

Nothing in this Condition 3(B) (*Status*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

(C) ***No set-off***

The provisions of this Condition 3(C) (No set-off) shall have effect in relation to (1) any Series of Senior Notes where the relevant Final Terms specify that Condition 3(C) (No set-off) applies and (2) each Series of Tier 2 Capital Notes.

Subject to applicable law, no Holder may exercise or claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, any Notes or related Coupons and every Holder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set-off, or to raise by way of counterclaim any of its claims in respect of any Notes or related Coupons, against or in respect of any of its obligations to the Issuer, the Trustee or any other person. Notwithstanding the preceding sentence, if any of the amounts due and payable to any Holder by the Issuer in respect of, arising under or in connection with the Notes or related Coupons is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator, administrator or, as appropriate, other insolvency official of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator, administrator or, as appropriate, other insolvency official of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. **Fixed Rate Note Provisions**

(A) ***Application:*** This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(B) ***Accrual of interest:*** The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 10 (*Payments – Bearer Notes*) and 11 (*Payments – Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (as well after as before judgment) until (and including) whichever is the earlier of (1) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (2) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(C) ***Fixed Coupon Amount:*** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the

Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.

- (D) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5. **Reset Note Provisions**

- (A) **Application:** This Condition 5 (*Reset Note Provisions*) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.

- (B) **Accrual of interest:** The Notes bear interest:

- (1) from (and including) the Interest Commencement Date specified in the relevant Final Terms to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (2) from (and including) the First Reset Date to (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (3) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date, subject as provided in Conditions 10 (*Payments – Bearer Notes*) and 11 (*Payments – Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Reset Note Provisions*) (as well after as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (C) **Rate of Interest:** The Rate of Interest applicable for each Reset Period shall be determined by the Calculation Agent at or as soon as practicable after each time at which the Rate of Interest is to be determined on each Reset Determination Date. The Interest Amount payable on the Notes shall be calculated in accordance with the provisions for calculating amounts of interest in Condition 4 (*Fixed Rate Note Provisions*) and, for such purposes, references in Condition 4 (*Fixed Rate Note Provisions*) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 4 (*Fixed Rate Note Provisions*) shall be construed accordingly.
- (D) **Fallback – Mid-Swap Rate:** Where the Reset Rate is specified as "Mid-Swap Rate" in the relevant Final Terms and if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations on the Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If only one of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation on the Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the Reset Period shall be the sum of such Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent. If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(D) (*Fallback - Mid-Swap Rate*), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

- (E) **Fallback – Benchmark Gilt Rate:** Where the Reset Rate is specified as "Benchmark Gilt Rate" in the relevant Final Terms and where no quotations with respect to the Benchmark Gilt are provided by the relevant Reference Banks, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.
- (F) **Publication:** The Calculation Agent will cause each Rate of Interest determined by it and any other amount(s) required to be determined by it together with the relevant payment date(s), to be notified to the Issuer, the Paying Agents, the

Trustee and each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but in (in the case of each Rate of Interest and Interest Payment Date) not later than the relevant Reset Date. Notice thereof shall also be given to the Noteholders in accordance with Condition 19 (*Notices*) as soon as possible after the determination or calculation thereof.

- (G) ***Notifications etc.***: All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Reset Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 5 (*Reset Note Provisions*).

6. **Floating Rate Note Provisions**

- (A) ***Application***: This Condition 6 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (B) ***Accrual of interest***: The Notes bear interest from (and including), the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 10 (*Payments – Bearer Notes*) and 11 (*Payments – Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Floating Rate Note Provisions*) (as well after as before judgment) until (and including) whichever is the earlier of (1) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (2) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (C)
- (I) ***Screen Rate Determination – Floating Rate Notes other than CMS-Linked Notes and an Index Cessation Event has not occurred***: If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and (i) the relevant Final Terms do not specify that the Reference Rate is the CMS Reference Rate and (ii) an Index Cessation Event has not occurred before the relevant Interest Determination Event, the Rate of Interest

applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (1) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (2) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (a) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (b) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (3) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (4) if, in the case of (1) above, such rate does not appear on that page or, in the case of (3) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (a) request each of the Reference Banks to provide to the Calculation Agent a quotation of the Reference Rate as at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (b) determine the arithmetic mean of such quotations; and

- (5) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (II) ***Screen Rate Determination – Floating Rate Notes other than CMS-Linked Notes and an Index Cessation Event has occurred:*** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and (i) the relevant Final Terms do not specify that the Reference Rate is the CMS Reference Rate and (ii) an Index Cessation Event has occurred before the relevant Interest Determination Event, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (1) the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6(J) (*Benchmark Replacement*) and subject as provided below) be the sum of (A) Compounded Daily SONIA, (B) the Margin and (C) the Adjustment Rate. The Issuer shall notify the Calculation Agent of the occurrence of an Index Cessation Event and the date of the same as soon as practicable thereafter;
- (2) if, subject to Condition 6(J) (*Benchmark Replacement*), in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5 p.m. (London time) (or, if earlier close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more

than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, and without prejudice to Condition 6(J) (*Benchmark Replacement*), in the event of the Bank of England publishing guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, in consultation with the Issuer, follow such guidance in order to determine the SONIA Reference Rate, for purposes of the Notes, for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6(C)(II) in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period shall be (A) that determined as at the last preceding Interest Determination Date or (B) if there is no such preceding Interest Determination Date, 3.125 per cent. per annum.

- (D) ***Screen Rate Determination – Floating Rate Notes which are CMS-Linked Notes:*** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the relevant Final Terms specify that the Reference Rate is the CMS Reference Rate, the Rate of Interest applicable to the Notes for each Interest Period will be the CMS Rate plus or minus (as indicated in the relevant Final Terms) the Margin, as determined by the Calculation Agent.

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide it with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) as at approximately (1) the Determination Time specified in the relevant Final Terms or (2) if no Determination Time is specified in the relevant Final Terms, 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent such quotations as aforesaid, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the 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 at the Determination Time or 11.00 a.m. (Relevant Financial Centre time) (as applicable) one only or none of the Reference Banks provides the Calculation Agent with such quotations as aforesaid, the CMS Rate shall be determined by the Issuer in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

(E) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the relevant Final Terms;
- (2) the Designated Maturity is a period specified in the relevant Final Terms;
- (3) the relevant Reset Date is either (a) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (b) in any other case, as specified in the relevant Final Terms; and
- (4) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (a) one rate 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
 - (b) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

The expressions "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" in this Condition 6(E) (*ISDA Determination*) have the respective meanings given to them in the ISDA Definitions.

(F) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(G) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in

relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (H) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents, the Trustee and each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also be given to the Noteholders in accordance with Condition 19 (*Notices*) as soon as possible after the determination or calculation thereof. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (I) **Notifications etc.:** All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Floating Rate Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 6 (*Floating Rate Note Provisions*).
- (J) **Benchmark Replacement:** In addition to and notwithstanding the provisions above in this Condition 6 (*Floating Rate Note Provisions*), if the Issuer determines that a Benchmark Event has occurred or there is a Successor Rate, in either case when the Rate of Interest (or the relevant component part thereof) remains to be determined by reference such Reference Rate (and if, in the case of LIBOR, an Index Cessation Event has not occurred prior to such

determination), then the Issuer may elect (acting in good faith and in a commercially reasonable manner) to apply the following provisions:

- (1) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
- (2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate;
- (3) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of and adjustment as provided in, this Condition 6(J) (*Floating Rate Note Provisions – Benchmark Replacement*)); **provided, however, that** if sub-paragraph (2) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period; for the avoidance of doubt, the proviso in this sub-paragraph (3) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(J) (*Floating Rate Note Provisions - Benchmark Replacement*);
- (4) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (acting in good faith and in a commercially reasonable manner) determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable); **provided, however, that** if the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Interest Determination Date relating to the next

succeeding Interest Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread; for the avoidance of doubt, the proviso in this subparagraph (4) shall apply to the relevant Interest Period only and any subsequent Interest Periods) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(J) (*Floating Rate Note Provisions – Benchmark Replacement*);

- (5) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in each case, any Adjustment Spread in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Day, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread. For the avoidance of doubt, the Trustee, the Calculation Agent and the Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 6(J) (*Floating Rate Note Provisions – Benchmark Replacement*). Noteholder consent shall not be required in connection with implementing the Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Trustee or the Principal Paying Agent (if required); and
- (6) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread, give notice thereof to the Trustee, the Calculation Agent, the Principal Paying Agent, Noteholders and Couponholders, which shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate or Adjustment Spread, and any other related changes to the Notes, shall be made in accordance with the relevant Capital Regulations (if applicable) and shall not prejudice the qualification of Senior Notes as eligible liabilities for the purposes of the Capital Regulations.

For the purposes of this Condition 6(J) (*Floating Rate Note Provisions – Benchmark Replacement*):

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable),

determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders or Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (C) if no such customary market usage is recognised or acknowledged, the Issuer following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);
- (D) if no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"Alternative Reference Rate" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in Sterling and of a comparable duration to the Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Reference Rate;

"Benchmark Event" means:

- (A) the Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the Reference Rate that it has ceased, or will cease, publishing the Reference Rate permanently or

indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or

- (C) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Reference Rate as a consequence of which the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, the Reference Rate is no longer representative of an underlying market; or
- (F) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders or Couponholders using the Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal Act) 2018, if applicable);

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

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

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

"Successor Rate" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate (for the avoidance of doubt, whether or not the Reference Rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

7. Zero Coupon Note Provisions

- (A) **Application:** This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (B) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (1) the Reference Price; and
 - (2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8. Fixed/Floating Rate Notes

- (A) **Application:** This Condition 8 (*Fixed/Floating Rate Notes*) is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (B) **Fixed/Floating Rate:** The Issuer may issue Notes (1) that the Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note or (2) that will automatically change from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note on the date set out in the relevant Final Terms.

9. Redemption and Purchase

- (A) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Conditions 10 (*Payments – Bearer Notes*) and 11 (*Payments – Registered Notes*) (as applicable).
- (B) **Redemption at the option of the Issuer:** Subject to Condition 9(L) (*Restriction on Early Redemption or Repurchase of the Notes*), if the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 19 (*Notices*) and to the Trustee, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes

specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together with any accrued but unpaid interest to (but excluding) the relevant Optional Redemption Date (Call)) at the Optional Redemption Amount (Call).

(C) ***Redemption for Tax Event:*** Subject to Condition 9(L) (*Restriction on Early Redemption or Repurchase of the Notes*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption, **provided that:**

- (1) the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Noteholders in accordance with Condition 19 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption; and
- (2) immediately before giving such notice, the Issuer has determined that as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which the Relevant Jurisdiction is a party, or any change in the official application of those laws or regulations which change or amendment becomes effective on or after the Issue Date of the first Tranche of Notes of the relevant Series, including a decision of any court or tribunal which becomes effective on or after the Issue Date of the first Tranche of Notes of the relevant Series (other than, in the case of paragraph (b) below only, as a result of an Excluded CIR Tax Change):
 - (a) the Issuer has paid, or will or would on the next Interest Payment Date be required to pay, Additional Amounts as provided or referred to in Condition 12 (*Taxation*);
 - (b) the Issuer is not, or would not be, entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes, or such a deduction is or would be reduced or deferred;
 - (c) the Issuer is not, or would not be, as a result of the Notes being in issue, able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date or any similar system or systems having like effect as may from time to time exist); or
 - (d) the Issuer would be required to bring into account any amount of income, profit or gain or other tax credit or taxable item for tax purposes, or any other liability to tax would arise, in respect of the write-down or conversion of the Notes into shares, or both as a result of the exercise of any regulatory powers (including, under the Banking Act 2009),

(each a "**Tax Event**").

Prior to giving notice of redemption in accordance with this Condition 9(C) (*Redemption for Tax Event*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 9(C) (*Redemption for Tax Event*) have been met. Such certificate shall be treated by the Issuer, the Trustee, the Noteholders and all other interested parties as correct, conclusive, binding and sufficient evidence thereof.

Upon the expiry of any such notice as is referred to in this Condition 9(C) (*Redemption for Tax Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(C) (*Redemption for Tax Event*).

- (D) ***Redemption for Regulatory Event***: In the case of any Series of Tier 2 Capital Notes only and subject to Condition 9(L) (*Restriction on Early Redemption or Repurchase of the Notes*), if a Regulatory Event has occurred, the Issuer may, at its option, redeem the Tier 2 Capital Notes, in whole but not in part, at the relevant Optional Redemption Amount (Regulatory Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, **provided that** the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Tier 2 Capital Notes in accordance with Condition 19 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to giving notice of redemption in accordance with this Condition 9(D) (*Redemption for Regulatory Event*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 9(D) (*Redemption for Regulatory Event*) have been met. Such certificate shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive, binding and sufficient evidence thereof.

Upon the expiry of any such notice as is referred to in this Condition 9(D) (*Redemption for Regulatory Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(D) (*Redemption for Regulatory Event*).

- (E) ***Redemption for Loss Absorption Disqualification Event***: In the case of any Series of Senior Notes only and subject to Condition 9(L) (*Restriction on Early Redemption or Repurchase of the Notes*), if Loss Absorption Disqualification Call is specified in the relevant Final Terms as being applicable and a Loss Absorption Disqualification Event has occurred, the Issuer may, at its option, redeem the Senior Notes, in whole but not in part, at the relevant Optional Redemption Amount (Loss Absorption Disqualification Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, **provided that** the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Notes in accordance with Condition 19 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to giving notice of redemption in accordance with this Condition 9(E) (*Redemption for Loss Absorption Disqualification Event*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 9(E) (*Redemption for Loss Absorption Disqualification Event*) have been met. Such certificate shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive, binding and sufficient evidence thereof.

Upon the expiry of any such notice as is referred to in this Condition 9(E) (*Redemption for Loss Absorption Disqualification Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(E) (*Redemption for Loss Absorption Disqualification Event*).

This Condition 9(E) (*Redemption for Loss Absorption Disqualification Event*) will not apply to the extent such application would cause a Loss Absorption Disqualification Event to occur.

- (F) ***Redemption at the option of Noteholders***: In the case of any Series of Senior Notes only, if the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice (which notice shall be irrevocable) at the relevant Optional Redemption Amount (Put) together with any accrued but unpaid interest to (but excluding) such date. No Series of Tier 2 Capital Notes shall contain a Put Option. In order to exercise the option contained in this Condition 9(F) (*Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 days nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) such Note together with any unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent or the Registrar (as the case may be) with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(F) (*Redemption at the option of Noteholders*), may be withdrawn; ***provided, however, that*** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or Registrar (as the case may be) shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent or the Registrar (as the case may be) in accordance with this Condition 9(F) (*Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent or the Registrar (as the case may be) shall be deemed to be the Holder of such Note for all purposes.

The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 9(B) (*Redemption at the option of the Issuer*), 9(C) (*Redemption for Tax Event*) or 9(G) (*Partial redemption*) and any exercise of the first-mentioned option in such circumstances shall have no effect.

- (G) ***Partial redemption***: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(B) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading and the notice to Noteholders referred to in Condition 9(B) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (H) ***No other redemption***: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(A) (*Scheduled redemption*) to 9(G) (*Partial redemption*) above.
- (I) ***Early redemption of Zero Coupon Notes***: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (1) the Reference Price; and
 - (2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 9(I) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- (J) ***Purchase***: Subject to Condition 9(L) (*Restriction on Early Redemption or Repurchase of the Notes*) and notwithstanding Condition 3 (*Status*), the Issuer or any of its Subsidiaries may at any time purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise, **provided that** all unmatured Coupons are purchased therewith.

- (K) ***Cancellation:*** All Notes which are redeemed pursuant to this Condition 9 (*Redemption and Purchase*) will be cancelled. All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, cancelled
- (L) ***Restriction on Early Redemption or Repurchase of the Notes:*** Notwithstanding any other provision in this Condition 9 (*Redemption and Purchase*), the Issuer may only redeem or repurchase the Notes (and give notice thereof to the Holders if required) pursuant to Conditions 9(B) (*Redemption at the option of the Issuer*), 9(C) (*Redemption for Tax Event*), 9(D) (*Redemption for Regulatory Event*), 9(E) (*Redemption for Loss Absorption Disqualification Event*) or 9(J) (*Purchase*) if:
- (1) it has obtained the Competent Authority's and/or the Resolution Authority's prior permission for the redemption or repurchase of the Notes, if and to the extent such permission is required by the Capital Regulations at such time;
 - (2) in the case of any redemption or repurchase of Notes, if and to the extent then required by the Capital Regulations at such time, either: (a) the Issuer has replaced the Notes with own funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer (as determined by the Competent Authority in accordance with the Capital Regulations); or (b) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed its minimum capital requirements (including any capital buffer requirements) and eligible liabilities requirements by a margin that the Competent Authority considers necessary in accordance with the Capital Regulations at such time;
 - (3) in respect of any redemption of Tier 2 Capital Notes proposed to be made prior to the fifth anniversary of the Issue Date of the first Tranche of such Tier 2 Capital Notes pursuant to Condition 9(C) (*Redemption for Tax Event*) or 9(D) (*Redemption for Regulatory Event*), if and to the extent required by the Capital Regulations at such time, (a) in the case of a redemption following the occurrence of a Regulatory Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Tier 2 Capital Notes was not reasonably foreseeable as at the relevant Issue Date of the first Tranche of such Tier 2 Capital Notes; or (b) in the case of a redemption following the occurrence of a Tax Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that such Tax Event is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of such Tier 2 Capital Notes; and
 - (4) the Issuer has complied with any other requirements contained in the Capital Regulations then in force which relate to the redemption or repurchase of the Notes.

10. Payments - Bearer Notes

This Condition 10 (*Payments – Bearer Notes*) is only applicable to Bearer Notes.

- (A) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (B) **Interest:** Payments of interest shall, subject to Condition 10(H) (*Payments other than in respect of matured Coupons*), be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(A) (*Principal*).
- (C) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (1) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due; (2) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and (3) payment is permitted by applicable United States law.
- (D) **Payments subject to fiscal laws:** Save as provided in Condition 12 (*Taxation*), payments in respect of the Bearer Notes will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents are or agree to be subject and the Issuer or any of its Paying Agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, and no commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (E) **Deductions for unmatured Coupons:** If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (1) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
or

- (2) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
- (a) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this Condition 10(E)(2)(a) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (b) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10(A) (*Principal*) against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (F) ***Unmatured Coupons void***: If the relevant Final Terms specify that the Reset Note Provisions are applicable or that the Floating Rate Note Provisions are applicable, on the due date for redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(B) (*Redemption at the option of the Issuer*), 9(C) (*Redemption for Tax Event*), 9(D) (*Redemption for Regulatory Event*), 9(E) (*Redemption for Loss Absorption Disqualification Event*) or 9(F) (*Redemption at the option of Noteholders*) or 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (G) ***Payments on business days***: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (H) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(C) (*Payments in New York City*)).

- (I) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (J) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments - Registered Notes**

This Condition 11 (*Payments – Registered Notes*) is only applicable to Registered Notes.

- (A) **Principal:** Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.
- (B) **Interest:** Payments of interest shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.
- (C) **Payments subject to fiscal laws:** Save as provided in Condition 12 (*Taxation*), payments in respect of the Registered Notes will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents are or agree to be subject and the Issuer or any of its agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, and no commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (D) **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (1) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and (2) (in the case of payments of interest payable other than on redemption) on the due date for

payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

- (E) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.
- (F) **Record date:** Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the 15th day before the due date for such payment (the "**Record Date**").

12. **Taxation**

- (A) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts on payments of principal and interest (in the case of Senior Notes) or on payments of interest but not principal (in the case of Tier 2 Capital Notes) ("**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them in respect of principal and interest (in the case of Senior Notes) or in respect of interest only (in the case of Tier 2 Capital Notes) had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:
 - (1) held by or on behalf of a Holder, which is liable to such Taxes in respect of such Note or Coupon by reason of its having some connection with the Relevant Jurisdiction other than the mere holding or ownership of the Note or Coupon;
 - (2) where (in the case of a payment of principal or interest on redemption) the relevant Note or Coupon or Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such Additional Amounts if it had presented or surrendered the relevant Note or Coupon or Certificate on the last day of such period of 30 days; or
 - (3) where the Holder of the relevant Note or Coupon failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the relevant jurisdiction of such Holder, if such claim or compliance is required by statute, treaty, regulation or administrative

practice of the relevant jurisdiction as a condition to relief or exemption from such taxes.

- (B) **FATCA**: For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.

13. **Events of Default**

- (A) The provisions of this Condition 13(A) shall have effect in relation to any Series of Senior Notes where the relevant Final Terms specify that Condition 13(B) does not apply.

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes or if so directed by an Extraordinary Resolution, shall (subject, in all cases, to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Senior Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with any accrued but unpaid interest without further action or formality:

- (1) *Non-payment*: if any principal or interest on the Senior Notes has not been paid within 7 days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment, **provided that** the Issuer shall not be in default if it satisfies the Trustee during the 14 or 7 day period (as applicable) that such sums were not paid in order to comply with any mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers acceptable to the Trustee;
- (2) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Senior Notes or the Trust Deed and that breach has not (in the opinion of the Trustee) been remedied within 30 days of receipt of a written notice from the Trustee certifying that in its opinion the breach is materially prejudicial to the interests of the holders of such Senior Notes and requiring the same to be remedied; or

- (3) *Winding-up etc.*: a Winding-up Event occurs.

At any time after any Series of Senior Notes shall have become due and repayable in accordance with this Condition 13(A), the Trustee may at its discretion and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice, institute such proceedings or take such steps or actions as it may think fit against the Issuer to enforce payment.

- (B) The provisions of this Condition 13(B) shall have effect in relation to (1) any Series of Senior Notes where the relevant Final Terms specify that Condition 13(B) applies and (2) each Series of Tier 2 Capital Notes.

- (1) If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice:

- (a) *Non-payment*: if any principal or interest on the Notes has not been paid within 7 days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment, institute proceedings in a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) for the winding-up of the Issuer and/or prove and/or claim in a Winding-Up, **provided that** the Issuer shall not be in default if it satisfies the Trustee during the 14 or 7 day period (as applicable) that such sums were not paid in order to comply with any mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers acceptable to the Trustee; or
- (b) *Limited remedies for breach of other obligations (other than non-payment)*: institute such proceedings against the Issuer as it may think fit to enforce any term, obligation or condition binding on the Issuer under the Notes or the terms of the Trust Deed (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest) (a "**Performance Obligation**"); **provided always that** the Trustee (acting on behalf of the Noteholders but not the Trustee acting in its personal capacity under the Trust Deed) and the Noteholders shall not enforce, and shall not be entitled to enforce or otherwise claim against the Issuer, any judgment or other award given in such

proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving and/or claiming for such Monetary Judgment in a Winding-Up.

Nothing in this Condition 13(B)(1) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (2) If a Winding-Up Event occurs, the Trustee at its discretion may and, if so requested in writing by the holders of at least one-quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) declare the Notes to be due and repayable immediately (and the Notes shall thereby become so due and repayable) at their Early Termination Amount together with any accrued but unpaid interest as provided in the Trust Deed and payments are subject to the subordination provisions set out in Condition 3 (*Status*).
- (C) The provisions of this Condition 13(C) shall have effect in relation to Senior Notes and Tier 2 Capital Notes.

No Holder of any Notes or related Coupons (if any) shall be entitled to institute any of the proceedings or take the steps or actions referred to in Condition 13(A) or 13(B) or to prove and/or claim in a Winding-Up, except that, if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in such Winding-Up, fails to do so, in each case within a reasonable period, and in each such case such failure shall be continuing, then any such Holder may itself institute such proceedings and/or prove and/or claim in such Winding-Up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of its Notes and/or Coupons. In the case of (1) any Series of Senior Notes where the relevant Final Terms specify that Condition 13(B) applies and (2) each Tier 2 Capital Notes, no remedy against the Issuer other than the institution of the proceedings referred to above or proving and/or claiming in a Winding-Up, shall be available to the Trustee or the Holders of the Notes whether for the recovery of amounts owing in respect of the Notes or Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or Coupons or under the Trust Deed.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Registered Notes shall become void unless the relevant Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and if the Notes are admitted to listing and/or trading by any competent listing authority and/or stock exchange which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by the competent listing authority and/or stock exchange), subject to all applicable laws and competent listing authority and/or stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates or Coupons or Talons must be surrendered before replacements will be issued.

16. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded before taking any steps or actions or initiating any proceedings and relieved from responsibility in certain circumstances and to be paid its costs, fees and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents (as defined in the Agency Agreement) act solely as agent of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the relevant Final Terms. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (A) the Issuer shall at all times maintain a Principal Paying Agent and a Registrar;
- (B) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (C) if and for so long as the Notes are admitted to listing and/or trading by any competent authority and/or stock exchange which requires the appointment of a Paying Agent and/or Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority and/or stock exchange.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 19 (*Notices*) and to the Trustee.

17. **Meetings of Noteholders; Modification and Waiver; Substitution**

- (A) ***Meetings of Noteholders:*** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions by Extraordinary Resolution, except that the provisions relating to the Tier 2 Capital Notes shall only be capable of modification in accordance with Condition 17(D) (*Competent Authority Notice or Consent*).

Such a meeting may be convened by the Issuer or by the Trustee and, subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; ***provided, however, that*** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes 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. 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 the holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

- (B) ***Modification and waiver:*** Subject to certain exceptions and Condition 17(D) (*Competent Authority Notice or Consent*), the Trustee may, without the consent of the Noteholders, agree to any modification of the Trust Deed or the Notes (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is (in the Trustee's opinion) of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than

a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, the Trustee may determine, without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto (except as set out in the Trust Deed), that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) shall not be treated as such for the purpose of the Trust Deed and such Notes if, in the opinion of the Trustee, the interests of the relevant Noteholders would not be materially prejudiced thereby.

In addition, the Trustee shall be obliged to consent to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to Condition 6(J) (*Benchmark Replacement*) in connection with implementing any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Condition 6(J) (*Benchmark Replacement*) without the requirement for the consent or sanction of the Noteholders or Couponholders. Such consent shall be subject to the receipt by the Trustee of a certificate from the Issuer certifying that the proposed modifications to the Trust Deed, the Agency Agreement and these Conditions are required in order to give effect to Condition 6(J) (*Benchmark Replacement*), and the Trustee shall be entitled to rely on such certificate without further enquiry and without liability to any person.

Any such authorisation, waiver, determination or modification shall be notified to the Noteholders by the Issuer in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.

- (C) **Substitution:** Subject to (1) Condition 17(D) (*Competent Authority Notice or Consent*) and (2) such amendment of the Trust Deed and any other conditions as the Trustee may require, but without the consent of the Noteholders, the Trustee may also agree, subject in the case of any Series of Senior Notes to such Senior Notes and any related Coupons being or, where appropriate, remaining irrevocably guaranteed by the Issuer, to the substitution of any Subsidiary of the Issuer in place of the Issuer (or any previous substitute under this Condition 17(C) (*Substitution*)) as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed in so far as it relates to such Notes, all in accordance with the provisions of the Trust Deed.

In connection with a substitution under this Condition 17(C) (*Substitution*), the Trustee may agree, without the consent of the holders of the Notes of the relevant Series or of the Coupons (if any) appertaining thereto but subject always to Condition 17(D) (*Competent Authority Notice or Consent*), to a change of the law governing such Notes and/or Coupons and/or the Trust Deed insofar as it relates to such Notes **provided that** (1) such change would not in the opinion of the Trustee be materially prejudicial to the interests of the holders of the Notes of such Series and (2) the Issuer (or any previous substitute under this Condition 17(C) (*Substitution*)) shall not be entitled as a result of such substitution to redeem the Notes pursuant to Condition 9(C) (*Redemption for*

Tax Event), 9(D) (*Redemption for Regulatory Event*) or 9(E) (*Redemption for Loss Absorption Disqualification Event*), as the case may be.

- (D) ***Competent Authority Notice or Consent***: The provisions relating to the Tier 2 Capital Notes shall only be capable of modification or waiver in accordance with Condition 17(B) (*Modification and waiver*) and the Issuer of Tier 2 Capital Notes may only be substituted (and where applicable, the governing law of the Notes and/or the Coupons and/or the Trust Deed changed) in accordance with Condition 17(C) (*Substitution*), if the Issuer has notified the Competent Authority of such modification, waiver or substitution (and where applicable, change of governing law, as aforesaid) and/or obtained the prior consent of the Competent Authority, as the case may be (if such notice and/or consent is then required by the Capital Regulations).

Wherever such modification or waiver of the Tier 2 Capital Notes is proposed, a meeting of Holders in respect thereof is proposed or a substitution of the Issuer of the Tier 2 Capital Notes (and where applicable, change of governing law, as aforesaid) is proposed in accordance with Condition 17(C) (*Substitution*), the Issuer shall provide to the Trustee a certificate signed by two Authorised Signatories, certifying either that (1) it has notified the Competent Authority of, and/or received the Competent Authority's consent to such modification, waiver or substitution (and where applicable, change of governing law, as aforesaid), as the case may be; or (2) that the Issuer is not required to notify the Competent Authority of, and/or obtain the Competent Authority's consent to, such modification, waiver or substitution. The Trustee shall be entitled to rely absolutely on such certificate without further enquiry and without liability for so doing.

- (E) ***Effect for the Holders***: Any such modification, waiver, authorisation, determination or substitution shall be binding on all the Noteholders and Couponholders of the relevant Series and shall be notified to the holders of Notes of that Series as soon as practicable thereafter in accordance with Condition 19 (*Notices*).
- (F) ***Exercise of Trustee's powers***: In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any such modification, waiver, authorisation, determination or substitution as aforesaid) the Trustee shall have regard to the interests of the holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders but subject to receipt of the prior consent of the Competent Authority (if and to the extent such consent is required by the Capital Regulations at such time) and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except in relation to the first payment of interest) so as to be consolidated and form a single series with the 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.

19. **Notices**

(A) **Bearer Notes:** Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(B) **Registered Notes:** Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (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.

21. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of any Note by virtue of the Contracts (Rights of Third Parties) Act 1999.

22. **Governing Law and Jurisdiction**

(A) **Governing law:** The Notes, the Coupons and the Trust Deed, and all non-contractual obligations arising out of or in connection with the Notes, the Coupons and the Trust Deed, are governed by English law.

- (B) ***Jurisdiction:*** The parties to the Trust Deed have (1) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes or the Coupons (including a dispute relating to any non-contractual obligation arising out of or in connection with the Notes or the Coupons); and (2) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.