

SCHEDULE 1
AMENDED TERMS AND CONDITIONS OF THE 2026 NOTES

1. Introduction

- (a) *Programme:* Virgin Money Holdings (UK) plc ("**HoldCo**") and Virgin Money plc (the "**Bank**") have established a Global Medium Term Note Programme (the "**Programme**") for the issuance of up to £3,000,000,000 in aggregate principal amount of notes (the "**Notes**"). On 15 August 2019 (the "**Substitution Date**"), CYBG PLC ("**CYBG**") was substituted in place of HoldCo as the issuer of the £350,000,000 3.375 per cent. Fixed Rate Reset Callable Senior Notes due 24 April 2026 (the "**2026 Notes**") pursuant to a supplemental trust deed between HoldCo, the Bank, CYBG PLC and the Trustee (as defined below) dated 15 August 2019 (the "**2026 Supplemental Trust Deed**"). In these conditions, references to the "**Issuer**" are to HoldCo or the Bank or, in respect of the 2026 Notes, CYBG, as the case may be, as the Issuer of the Notes under the Programme and references to the "**relevant Issuer**" and "**Issuers**" shall be construed accordingly.
- (b) *Final Terms or Drawdown Offering Circular:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of either (i) a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**") or (ii) a separate drawdown offering circular (the "**Drawdown Offering Circular**") which supplements, amends and/or replaces the Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms or as supplemented, amended and/or replaced by the relevant Drawdown Offering Circular. In the event of any inconsistency between these Conditions and the relevant Final Terms or Drawdown Offering Circular, the relevant Final Terms or Drawdown Offering Circular (as applicable) shall prevail. In the case of a Tranche of Notes which is the subject of a Drawdown Offering Circular, each reference in these Conditions to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Offering Circular.
- (c) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 28 March 2018 (as amended or supplemented from time to time, including, in the case of the 2026 Notes only, the 2026 Supplemental Trust Deed, the "**Trust Deed**") between the Issuers and Citicorp Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 27 March 2015 (as amended or supplemented from time to time, including, in the case of the 2026 Notes only, a supplemental agency agreement dated the Substitution Date, the "**Agency Agreement**") between the Issuers, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer

agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), the other agents named therein and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

- (e) *The Notes*: 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 or Drawdown Offering Circular (as the case may be). Copies of the relevant Final Terms or Drawdown Offering Circular are available for viewing at the registered office of the HoldCo and the Bank at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL, United Kingdom other than the Final Terms in respect of the 2026 Notes which are available for viewing at the registered office of CYBG at 20 Merrion Way, Leeds, LS2 8NZ.
- (f) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. **Definitions and 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 the First Reset Date if an Index Cessation Event in respect of six-month sterling LIBOR has occurred on or before the Reset Determination Date, being the rate specified on Bloomberg screen page "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 the First Reset Date (i) the Mid-Swap Floating Leg Benchmark Rate is SONIA and (ii) no Mid-Market Swap Rate Quotations are provided on the relevant Reset Determination Date, where applicable, and therefore the First Reset Rate of Interest is the Initial Rate of Interest, then the Adjustment Rate in respect of such First Reset Date shall be deemed to be 0 per cent.;

"Bank Group" means the Bank and its subsidiaries;

"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:*
 - (i) 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;
 - (ii) 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;

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

- (iii) 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 Agent**" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**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 (i) the Supervisory Authority and/or (ii) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the relevant Issuer may be organised or domiciled) and applicable to the relevant Issuer and/or (where the Issuer is HoldCo) the HoldCo Group and/or (where the Issuer is the Bank) the Bank Group and/or (where the Issuer is CYBG) the CYBG Group, including CRD IV and related technical standards;

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

"**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 of the European Parliament and of the Council of 26 June 2013, 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;

"**CYBG Group**" means CYBG 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 CYBG is part from time to time.

"**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:
- (i) 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 (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) 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 (a) 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 (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (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 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 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; and

- (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 as follows:

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

where:

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

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

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

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

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

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

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;

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the relevant Issuer;

"**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 Euro zone 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 Banking Federation (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);

"**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 applicable to the Mid-Swap Rate or the Reference Bond (as applicable) 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 6(d) (*Reset Note Provisions - Fallbacks*), (i) if an Index Cessation Event in respect of six-month sterling LIBOR has not occurred on or before the relevant Reset Determination Date, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of (A) the First Margin and (B) the relevant Reset Reference Rate; and (ii) if an Index Cessation Event in respect of six-month sterling LIBOR has occurred on or before the relevant Reset Determination Date, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of (A) the First Margin, (B) the relevant Reset Reference Rate, converted by the Calculation Agent from an annual rate into a semi-annual rate in accordance with the instructions of the Issuer and (C) the Adjustment Rate, provided that such sum (a semi-annual rate) shall be converted by the Calculation Agent to an annual rate in accordance with the instructions of the Issuer;

"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 relevant 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 relevant Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Foreign Exchange Agent" has the meaning given in the Agency Agreement;

"Group" means (i) in respect of HoldCo, the HoldCo Group, (ii) in respect of the Bank, the Bank Group, and (iii) in respect of CYBG, the CYBG Group;

"HoldCo Group" means the HoldCo 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 HoldCo is part from time to time;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"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 the date specified as such in the relevant Final Terms or, if none is so specified:

- (a) if the Reference Rate is EURIBOR, the second TARGET Settlement Day prior to the start of each Interest Period; and
- (b) if the Reference Rate is LIBOR, the second London Business Day prior to the start of each Interest Period;

"Interest Payment Date" means the First Interest Payment Date and any other 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 next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the 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;

"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);

"Loss Absorption Disqualification Event" means the whole or any part of the outstanding aggregate principal amount of the relevant Series of Senior Notes at any time being excluded from or ceasing to count towards the relevant Issuer's and/or the relevant Group's own funds and eligible liabilities and/or loss absorbing capacity, in each case for the purposes of, and in accordance with, the relevant Capital Regulations; **provided that** a Loss Absorption Disqualification Event shall not occur if such whole or part of the outstanding principal amount of the relevant Series of Senior Notes is excluded from, or ceases to count towards, such own funds and eligible liabilities and/or loss absorbing capacity due to the remaining maturity of the Notes being less than the period prescribed by the relevant Capital Regulations;

"Loss Absorption Regulations Event" means that:

- (a) any Capital Regulations become effective with respect to the relevant Issuer and/or the relevant Group; or
- (b) there is an amendment to, or change in, any Capital Regulation, or any change in the official application of any Capital Regulation, which becomes effective with respect to the relevant Issuer and/or the relevant 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 (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) 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 (iii) 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 6(d) (*Reset Note Provisions - Fallbacks*), either:

- (a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) 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:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately the Reset Determination Time, all as determined by the Calculation Agent;

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

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"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;

"Payment Business Day" means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) 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 which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) 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; and
- (b) 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 (i) 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 (ii) 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 Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Optional Redemption Amount (Regulatory Event), the Optional Redemption Amount (Loss Absorption Disqualification Event) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Reference Banks" (i) in the case of Notes other than Reset Notes, has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate; and (ii) in the case of Reset Notes, has the meaning given in the relevant Final Terms or, if none, 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 relevant Issuer on the advice of an investment bank of international repute;

"Reference Bond" means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) agreed between the relevant Issuer and the Calculation Agent as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the relevant Issuer, after consultation with the Calculation Agent) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

"Reference Bond Price" means, with respect to any Reset Determination Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date (as applicable), after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five but more than one) such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if only one Reference Government Bond Dealer Quotation is received or if no Reference Government Bond Dealer Quotations are received, the First Reset Rate of Interest shall be the Initial Rate of Interest and any Subsequent Reset Rate of Interest shall be determined to be the Rate of Interest as at the last preceding Reset Date;

"Reference Bond Rate" means, with respect to any Reset Period (as applicable), the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reset Determination Date;

"Reference Government Bond Dealer" means each of five banks selected by the relevant Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic

average, as determined by the relevant Issuer or the Determination Agent (as applicable), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) as at the Reset Determination Time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer (in the case of the calculation of interest in respect of a Reset Period);

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

"**Reference Rate**" means EURIBOR or LIBOR in each case for the relevant currency and 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;

"**Regulatory Approval**" means such prior permission of the Supervisory Authority or any other relevant national or European authority as is required under the then prevailing Capital Regulations;

"**Regulatory Preconditions**" means,

- (a) in relation to any redemption or repurchase of Notes, to the extent required by prevailing Capital Regulations at the relevant time:
 - (i) on or before the relevant redemption date, the relevant Issuer and/or the relevant Group having replaced such Notes with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the relevant Issuer and/or the relevant Group; or

- (ii) the relevant Issuer having demonstrated to the satisfaction of the Supervisory Authority that the own funds and eligible liabilities of the relevant Issuer and/or the relevant Group would, following such redemption, or repurchase, exceed its minimum capital requirements (including any capital buffer requirements) and eligible liabilities requirement by a margin that the Supervisory Authority considers necessary in accordance with the Capital Regulations at such time; and
- (b) in the case of a redemption of only the Tier 2 Capital Notes before five years after the date of issuance of the relevant Tier 2 Capital Notes if:
 - (i) in the case of redemption due to the occurrence of a Regulatory Event, (i) the Supervisory Authority or any other relevant national or European authority considers such change to be sufficiently certain and (ii) the relevant Issuer demonstrates to the satisfaction of the Supervisory Authority that the Regulatory Event was not reasonably foreseeable at the time of issuance of the first tranche of such Tier 2 Capital Notes; or
 - (ii) in the case of redemption due to the occurrence of a Tax Event (as defined below), there is a change in the applicable tax treatment of the relevant Tier 2 Capital Notes which the Issuer demonstrates to the satisfaction of the Supervisory Authority is material and was not reasonably foreseeable at the time of issuance of the first tranche of such Notes.

Notwithstanding the above conditions, if, at the time of such redemption, the prevailing Capital Regulations permit the redemption or repurchase after compliance with one or more alternative pre-conditions to either of those set out in this definition, or require compliance with one or more additional pre-conditions, the relevant Issuer shall comply with such other pre-conditions;

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

"Reserved Matter" has the meaning given in the Trust Deed and includes any proposal: to change any date fixed for or to reduce the amount of payment of principal or interest in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment; to change the currency in which amounts due in respect of the Notes are payable; or to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution;

"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 Determination Time" means in relation to a Reset Determination Date, 11.00a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date or such other time as may be specified in the applicable Final Terms;

"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 Reference Rate" means either (i) the Mid-Swap Rate, or (ii) the Reference Bond Rate, as specified in the applicable Final Terms;

"Senior Creditors" means creditors of the relevant Issuer (i) who are depositors and/or other unsubordinated creditors of such relevant Issuer; or (ii) who are subordinated creditors of such Issuer (whether in the event of winding-up or administration of such Issuer or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of Tier 2 Capital Notes and relevant Couponholders;

"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 applicable to the Mid-Swap Rate or the Reference Bond (as applicable) 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 6(d) (*Reset Note Provisions - Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin;

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

"Supervisory Authority" means the United Kingdom Prudential Regulation Authority and/or any successor or replacement thereto or such other authority having primary responsibility for the prudential oversight and supervision of the relevant Issuer and/or the HoldCo Group and/or the CYBG Group;

"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;

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

"Winding-up Event" means with respect to the Notes if (i) a court of competent jurisdiction in England (or such other jurisdiction in which the relevant Issuer may be organised) makes an order for its winding-up which is not successfully appealed within 30 days of the making of such order, (ii) the relevant Issuer's shareholders adopt an effective resolution for its winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the relevant Issuer, the administrator gives notice that it intends to declare and distribute a dividend; and

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

(b) *Interpretation*

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) 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;
- (iii) 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;

- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (*Definitions and Interpretation - 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; and
- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **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 (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note 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 Note 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. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

- (f) *Transfers of Registered Notes:* Subject to Conditions 3(i) (*Closed periods*) and 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note 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 Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note 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 paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the relevant 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.
- (i) *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 10 (*Redemption and Purchase*).
- (j) *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 relevant Issuer with the prior written approval of the Registrar. 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.
- (k) *No exchange:* Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

4. **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 relevant Issuer which will at all times rank *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant 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 relevant Issuer ranking *pari passu* without any preference among themselves. In the event of the winding up or administration of the relevant Issuer, the 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 relevant Issuer in respect of such Notes and Coupons (including any damages or other amounts (if payable)) shall (i) be subordinated to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of all other subordinated creditors of the relevant Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Tier 2 Capital Notes (including holders of instruments of the relevant Issuer that qualify as Tier 2 instruments in accordance with the Capital Regulations); and (iii) rank senior to the relevant Issuer's ordinary shares, preference shares and any junior subordinated obligations or other securities of the relevant Issuer which by law rank, or by their terms are expressed to rank, junior to the Tier 2 Capital Notes.

Nothing in this Condition 4 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 – Senior Notes and Tier 2 Capital Notes*

Subject to applicable law, claims in respect of any Tier 2 Capital Notes or related Coupons may not be set-off, or be the subject of a counterclaim, by the Holder against or in respect of any of its obligations to the relevant Issuer, the Trustee or any other person 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 Tier 2 Capital Notes or related Coupons, against or in respect of any of its obligations to the relevant Issuer, the Trustee or any other person. If, notwithstanding the preceding sentence, any Holder receives or recovers any sum or the benefit of any sum in respect of any Tier 2 Capital Note or related Coupon by virtue of any such set-off or counterclaim, it shall hold the same on trust for the relevant Issuer and shall pay the amount thereof to the relevant Issuer or, in the event of the winding up of the relevant Issuer, to the liquidator of the relevant Issuer.

If Senior Notes Waiver of Set-off is specified in the relevant Final Terms as being applicable, then the previous paragraph shall apply to Senior Notes, any related Coupons and each Holder in respect of such Senior Notes *mutatis mutandis* and as if reference in that paragraph to Tier 2 Capital Notes were a reference to such Senior Notes.

5. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 5 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 Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from (and including) the due date for final 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 (as well after as before judgment) until whichever is the earlier of (i) 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 (ii) 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.

6. **Reset Note Provisions**

- (a) *Application:* This Condition 6 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:
 - (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;

- (ii) 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 at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) 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 Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from (and including) the due date for final 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 (as well after as before judgment) until whichever is the earlier of (i) 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 (ii) 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 and Interest Amount:* 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 5 (*Fixed Rate Note Provisions*) and, for such purposes, references in Condition 5 (*Fixed Rate Note Provisions*) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 5 (*Fixed Rate Note Provisions*) shall be construed accordingly.

- (d) *Fallbacks:*

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 (other than in the circumstances provided for in Condition 7A (*Benchmark Replacement*)) and the relevant Issuer has specified in the applicable Final Terms that the Reference Bond Rate is applicable as the fallback to the Mid-Swap Rate, the Reset Reference Rate shall be the Reference Bond Rate calculated by the Calculation Agent in accordance with these Conditions and subject (if applicable) to the relevant Capital Regulations. Alternatively, 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 and (i) the Reference Bond Rate has not been specified as the fallback to the Mid-Swap Rate, or (ii) if the Reference Bond Rate has been specified as the fallback to the Mid-Swap Rate, only one or no Reference Government Bond Dealer Quotation is received for the purpose of calculating the Reference Bond Price applicable to the Reference Bond, 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 the Reset Determination Time.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, 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, 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 paragraph (d), 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) *Publication:* The Calculation Agent will cause each Rate of Interest 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 relevant Issuer, the Paying Agents, the Trustee and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest and Interest Payment Date) in any event not later than the relevant Reset Date. Notice thereof shall also be given to the Noteholders in accordance with Condition 20 (*Notices*) as soon as practicable after the determination or calculation thereof.
- (f) *Notifications etc:* All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 by the Calculation Agent will (in the absence of manifest error) be final and binding on the relevant 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.

7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 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 Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*). Each Note will cease to bear interest from (and including) the due date for final 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 (as well after as before

judgment) until whichever is the earlier of (i) 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 (ii) 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) *Screen Rate Determination:* 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, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) 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;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the 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;

(iii) 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;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) 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 the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate 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

- (v) 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 Calculation Agent, 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.

- (d) *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 (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) 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
 - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the 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.

- (e) *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.
- (f) *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.
- (g) *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 relevant Issuer, the Paying Agents, the Trustee and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable 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 20 (*Notices*) as soon as practicable 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.
- (h) *Notifications etc:* All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be final and binding on the relevant 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 7.

7A **Benchmark Replacement**

In addition to and notwithstanding the provisions above in Condition 6 (*Reset 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 to LIBOR (if an Index Cessation Event has not occurred prior to such determination) or SONIA, as applicable, then the Issuer may elect (acting in good faith and in a commercially reasonable manner) to apply the following provisions:

- (i) 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 Reset Determination Date relating to the Reset 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;
- (ii) 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;
- (iii) 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 used in place of the Reference Rate as a component part for determining the relevant Mid-Swap Floating Leg Benchmark Rate for the Reset Period (subject to adjustment as provided in, this Condition 7A (*Benchmark Replacement*)); **provided, however, that** if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the Reset Determination Date, the Rate of Interest applicable to the Reset Period shall be the Initial Rate of Interest;
- (iv) 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 Reset Determination Date relating to the Reset 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;

- (v) 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, Reset Determination Date, Reset Determination Time and/or the definition of the relevant Mid-Swap Floating Leg Benchmark 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 Principal Paying Agent and the Calculation Agent shall, at the direction and expense of the Issuer, but subject to receipt by the Trustee of the certificate referred to in sub-paragraph (vi) below, without the requirement for any consent or approval of the Noteholders, effect such amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7A (Benchmark Replacement) (such amendments, the "**Benchmark Amendments**"), **provided that** the Trustee shall not be obliged so to concur if in the opinion of the Trustee, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed); and
- (vi) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable), any Benchmark Amendments and/or any Adjustment Spread, give notice thereof to the Trustee, the Principal Paying Agent, the Calculation Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any Benchmark Amendments.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, Alternative Reference Rate and, (iii) where applicable, the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7A; and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Reference Rate, as the case may be.

The Trustee shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Reference Rate (as applicable) and the

Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Reference Rate (as applicable) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders,

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 the Senior Notes as eligible liabilities for the purposes of the Capital Regulations.

For the purposes of this Condition 7A (*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 as a result of the replacement of the Mid-Swap Floating Leg Benchmark Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) 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 Mid-Swap Floating Leg Benchmark Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) 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 Mid-Swap Floating Leg Benchmark Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);
- (iv) 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 Mid-Swap Floating Leg Benchmark

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 Reset 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 Mid-Swap Floating Leg Benchmark Rate;

"Benchmark Event" means:

- (i) the Mid-Swap Floating Leg Benchmark Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Mid-Swap Floating Leg Benchmark Rate that it has ceased, or will cease, publishing the Mid-Swap Floating Leg Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Mid-Swap Floating Leg Benchmark Rate); or
- (iii) a public statement by the supervisor of the administrator of the Mid-Swap Floating Leg Benchmark Rate that the Mid-Swap Floating Leg Benchmark Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Mid-Swap Floating Leg Benchmark Rate as a consequence of which the Mid-Swap Floating Leg Benchmark 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
- (v) a public statement by the supervisor of the administrator of the Mid-Swap Floating Leg Benchmark Rate that, in the view of such supervisor, the Mid-Swap Floating Leg Benchmark Rate is no longer representative of an underlying market; or
- (vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Mid-Swap Floating Leg Benchmark 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:

- (i) 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

- (ii) 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 Mid-Swap Floating Leg Benchmark Rate (for the avoidance of doubt, whether or not the Mid-Swap Floating Leg Benchmark Rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 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:
 - (i) the Reference Price; and
 - (ii) 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 (i) 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 (ii) 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).

9. **Fixed/Floating Rate Notes**

- (a) *Application:* This Condition 9 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 relevant Issuer may issue Notes (i) that the relevant 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 (ii) 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.

10. **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 Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*).
- (b) *Redemption at the option of the Issuer*: Subject to Condition 10(1) (*Restriction on Early Redemption or Purchase of Notes*) below, if the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the relevant Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the relevant 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 Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (c) *Redemption for tax reasons*: Subject to Condition 10(1) (*Restriction on Early Redemption or Purchase of Notes*) below, the Notes may be redeemed at the option of the relevant Issuer in whole, but not in part (x) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable); or (y) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable), at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption, **provided that**:
- (i) the relevant Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Notes (such notice being irrevocable) specifying the date fixed for such redemption; and
- (ii) if, immediately before giving such notice, the relevant Issuer satisfies the Trustee that, as a result of any change or proposed change in or amendment or proposed amendment to the laws or regulations of the United Kingdom or any authority or political subdivision therein or thereof having power to tax, including any treaty to which such jurisdiction is a party, or any change in the official application of those laws or regulations (including a holding by a court or tribunal of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes and, in the case of Tier 2 Capital Notes only where such redemption occurs prior to the fifth anniversary of the Issue Date of the first Tranche of the Tier 2 Capital Notes, which the relevant Issuer demonstrates to the satisfaction of the Supervisory Authority is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of the Tier 2 Capital Notes:
- (A) the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*); or

- (B) in the case of Tier 2 Capital Notes only:
- (1) the relevant Issuer is 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; or
 - (2) the relevant Issuer is not or would not be able to treat the Notes as loan relationships for the purposes of Part 5 of the Corporation Tax Act 2009;
 - (3) the relevant Issuer treats or would be required to treat any part of the Notes as an embedded derivative for tax purposes, or the relevant Issuer otherwise is or would be required to take changes in or re-estimates of the value of the Notes or any part of the Notes, or of the present value of the cashflows arising in respect of the Notes or any part of the Notes, into account in computing its taxable profits and losses; or
 - (4) the Notes are not or would not be treated as "normal commercial loans" for the purposes of Chapter 6 of Part 5 of the Corporation Tax Act 2010, or the Notes otherwise are or would be required to be taken into account for the purposes of determining any group for tax purposes, such that there is or would be a change in the membership of any group for tax purposes,

(each such change or amendment, a "**Tax Event**"); and

in the case of each of (A) and (B), such consequences cannot be avoided by the relevant Issuer taking reasonable measures available to it,

provided, further, that no such notice of redemption shall be given earlier than (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the relevant Issuer would be obliged to pay such additional amounts or is unable to make such deduction if a payment in respect of the Notes were then due; or (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer would be obliged to pay such additional amounts or is unable to make such deduction if a payment in respect of the Notes were then due.

Before the publication of any notice of redemption pursuant to this Condition 10(c) (*Redemption for tax reasons*) the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the relevant Issuer stating that the conditions precedent for redeeming the Notes pursuant to this Condition 10(c) (*Redemption for tax reasons*) have been met and the Trustee shall be entitled to accept without liability for so doing the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 10(c) (*Redemption for tax reasons*), the relevant Issuer shall be bound to redeem the Notes in accordance with this Condition 10(c) (*Redemption for tax reasons*).

- (d) *Regulatory Event Redemption of Tier 2 Capital Notes*: Subject to Condition 10(1) (*Restriction on Early Redemption or Purchase of Notes*) below, if there is a change (or a pending change which the Supervisory Authority considers to be sufficiently certain) in the regulatory classification of the Tier 2 Capital Notes under the Capital Regulations that occurs on or after the Issue Date of the first Tranche of such Tier 2 Capital Notes (and which, where such redemption occurs prior to the fifth anniversary of the Issue Date of the first Tranche of the Tier 2 Capital Notes, the relevant Issuer demonstrates to the satisfaction of the Supervisory Authority was not reasonably foreseeable as at the Issue Date of the first Tranche of such Tier 2 Capital Notes) and that does, or would be likely to, result in the whole or any part of the outstanding aggregate principal amount of such Tier 2 Capital Notes being excluded from the Tier 2 Capital of the relevant Issuer and/or the relevant Group (a "**Regulatory Event**"), the relevant 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 the date fixed for redemption, **provided that** the relevant Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Principal Paying Agent and the Holders of the Tier 2 Capital Notes (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 10(d) (*Regulatory Event Redemption of Tier 2 Capital Notes*), the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the relevant Issuer stating that the conditions precedent for redeeming the Tier 2 Capital Notes pursuant to this Condition 10(d) (*Regulatory Event Redemption of Tier 2 Capital Notes*) have been met and the Trustee shall be entitled to accept without liability for so doing the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and Couponholders.

Upon the expiry of such notice period, the relevant Issuer shall be bound to redeem the Tier 2 Capital Notes accordingly.

- (e) *Loss Absorption Disqualification Event Redemption of Senior Notes*: If the applicable Final Terms specify that this Condition 10(e) (*Loss Absorption Disqualification Event Redemption of Senior Notes*) applies then, subject to Condition 10(1) (*Restriction on Early Redemption or Purchase of Notes*) below, if a Loss Absorption Regulations Event occurs on or after the Issue Date of the first Tranche of a Series of Senior Notes that does, or would be likely to (in the opinion of the relevant Issuer, the Supervisory Authority or any other relevant national or European authority), result in a Loss Absorption Disqualification Event, the relevant Issuer may, at its option, redeem the relevant Series of 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 relevant Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Paying Agent and the Holders of the relevant Series of Senior Notes (such notice being irrevocable) specifying the date fixed for such redemption; and

Prior to giving notice of redemption under this Condition 10(e) (*Loss Absorption Disqualification Event Redemption of Senior Notes*), the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the relevant Issuer stating that the relevant circumstance referred to under this Condition 10(e) (*Loss Absorption Disqualification Event Redemption of Senior Notes*) does exist. Such certificate shall be treated by the relevant Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive and sufficient evidence thereof.

Upon expiry of such notice period, the relevant Issuer shall be bound to redeem the relevant Series of Senior Notes accordingly.

- (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 relevant 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 interest (if any) accrued to such date. No Series of Tier 2 Capital Notes shall contain a Put Option. In order to exercise the option contained in this Condition 10(f) (*Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 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 all 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 10(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 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 10(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 Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for tax reasons*), or 10(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 10(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 as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the

rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(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 relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 10(a) (*Scheduled redemption*) to Condition 10(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:
 - (i) the Reference Price; and
 - (ii) 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 Final Terms for the purposes of this Condition 10(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 10(1) (*Restriction on Early Redemption or Purchase of Notes*) the relevant 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 (if any) are purchased therewith.
- (k) *Cancellation*: All Notes which are redeemed by the relevant Issuer pursuant to this Condition 10 (*Redemption and Purchase*) will be cancelled. All Notes purchased by or on behalf of the relevant Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the relevant Issuer or any such Subsidiary, cancelled.
- (l) *Restriction on Early Redemption or Purchase of Notes*: Notwithstanding any other provision in this Condition 10 (*Redemption and Purchase*), the relevant Issuer may redeem or repurchase the Notes only if it has, to the extent required by the Capital Regulations, (x) obtained Regulatory Approval and (y) complied with the Regulatory Preconditions.

11. **Payments - Bearer Notes**

This Condition 11 (*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 cheque drawn in the currency in which the payment is due on, or 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 11(h) (*Payments other than in respect of matured Coupons*) below, 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 11(a) (*Principal*) above.
- (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 (i) the relevant 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, (ii) 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 (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*). 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 specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) 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;
 - (ii) 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 sub-paragraph 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 11(a) (*Principal*) above 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 specifies that this Condition 11(f) is applicable, that the Reset Note Provisions are applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption at the option of the Issuer*), Condition 10(c) (*Redemption for tax reasons*), Condition 10(d) (*Regulatory Event Redemption of Tier 2 Capital Notes*), Condition 10(e) (*Loss Absorption Disqualification Event Redemption of Senior Notes*), Condition 10(f) (*Redemption at the option of Noteholders*) or Condition 14 (*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 11(c) (*Payments in New York City*) above).
- (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 15 (*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.

12. **Payments - Registered Notes**

This Condition 12 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, 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 Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, 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 (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*). 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 and, where payment is to be made by cheque, the cheque will be mailed (i) (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 Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (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 (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant 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 Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note 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 fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

13. **Taxation**

- (a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the relevant 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 United Kingdom or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the relevant 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) 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 had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or
 - (ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or
 - (iii) where the Holder is able to avoid such withholding or deduction by complying, or procuring that a third party complies with, any applicable statutory requirements or by making, or procuring that any third party makes, a declaration of non-residence or other similar claim for exemption to any tax authority.
- (b) *FATCA*: For the avoidance of doubt, any amounts to be paid by the relevant 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**"). Neither the relevant Issuer nor any other person will be required to pay any additional amounts on account of any FATCA Withholding Tax.

- (c) *Taxing jurisdiction:* If the relevant Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom, references in these Conditions to the United Kingdom shall be construed as references to such other jurisdiction.

14. **Events of Default**

- (a) *Non-restrictive Events of Default:* The provisions of this Condition 14(a) shall have effect in relation to any Series of Senior Notes where the relevant Final Terms specify that Condition 14(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 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 relevant Issuer declaring the 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:

- (i) *Non-payment:* any principal or interest on such 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 relevant Issuer shall not, however, 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 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 relevant Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers approved by the Trustee; or
- (ii) *Breach of other obligations:* the relevant Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and that breach has not 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 Notes and requiring the same to be remedied; or
- (iii) *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 14(a) (*Non-restrictive Events of Default*), 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 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 relevant Issuer to enforce payment.

(b) *Restrictive Events of Default*: The provisions of this Condition 14(b) shall have effect in relation to (x) any Series of Tier 2 Capital Notes or (y) any Series of Senior Notes where the relevant Final Terms specify that Condition 14(b) applies.

(i) 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*: in the event that any principal or interest on such 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 relevant Issuer is organised) (but not elsewhere) for the winding up of the relevant Issuer and/or prove in its winding-up and/or claim in its liquidation or administration, **provided that** the relevant 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 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 relevant Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers approved by the Trustee; or

(B) *Limited remedies for breach of other obligations (other than non-payment)*: institute such proceedings or take such steps or actions against the relevant Issuer as it may think fit to enforce any term, obligation or condition binding on the relevant Issuer under such Notes or Coupons or the terms of the Trust Deed relating thereto (other than any payment obligation of the relevant Issuer under or arising from the Notes or Coupons 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 Holders but not the Trustee acting in its personal capacity under the Trust Deed) and the Holders shall not enforce, and shall not be entitled to enforce or otherwise claim against the relevant Issuer, any judgment or other award given in such proceedings, steps or actions that requires the payment of money by the relevant Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding-up of the relevant Issuer and/or claiming such Monetary Judgment in an administration of the relevant Issuer.

Nothing in this Condition 14(b)(i) 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.

- (ii) 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 prefunded to its satisfaction) declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant Final Terms) together with any accrued but unpaid interest as provided in the Trust Deed and in respect of the Tier 2 Capital Notes, payments are subject to the subordination provisions set out in Condition 4(b) (*Status - Tier 2 Capital Notes*).
- (c) *All Notes*: The provisions of this Condition 14(c) shall have effect in relation to any Series of Notes. No Holder of any Notes and no holder of the Coupons (if any) appertaining thereto shall be entitled to institute any of the proceedings or to take any of the steps or actions referred to in Conditions 14(a) (*Non-restrictive Events of Default*) or 14(b) (*Restrictive Events of Default*) above or to prove in the winding up of the relevant Issuer except that if the Trustee, having become bound to proceed against the relevant Issuer as aforesaid, fails to do so or, having become bound to prove in such winding up, fails to do so, or having become bound to take any such steps or actions, 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 in such winding up and/or take such steps or actions 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 (i) any Series of Senior Notes where the relevant Final Terms specify that Condition 14(b) applies, or (ii) Tier 2 Capital Notes, no remedy against the relevant Issuer other than as referred to in Condition 14(b) (*Restrictive Events of Default*), shall be available to the Trustee or the Holders of such Notes or the Coupons (if any) appertaining thereto whether for the recovery of amounts owing in respect of such Notes or Coupons or under the Trust Deed in relation thereto or in respect of any breach by the relevant Issuer of any of its other obligations under or in respect of such Notes or Coupons or under the Trust Deed in relation thereto.

15. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten 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 on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. Replacement of Notes, Note Certificates, Coupons and Talons

If any Note, 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 then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent

having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system 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 relevant Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates, Coupons or Talons must be surrendered before replacements will be issued.

17. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or prefunded 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 relevant Issuer and any entity relating to the relevant Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents, the Foreign Exchange Agent, and any Calculation Agent act solely as agents of the relevant 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. The relevant Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent, the Foreign Exchange Agent, or any Calculation Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; *provided, however, that:*

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

Notice of any change in any of the Agents, the Foreign Exchange Agent, or any Calculation Agent or in their Specified Offices shall promptly be given to the Noteholders.

18. 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 18(d) (*Supervisory Authority notice or consent*) below.

Such a meeting may be convened by the relevant Issuer or by the Trustee and, subject to the Trustee being indemnified and/or secured and/or prefunded 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 more than half of the 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.

- (b) *Modification and waiver:* Subject to certain exceptions and Condition 18(d) (*Supervisory Authority notice or consent*) below, the Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (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 opinion of the Trustee, of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, subject to and in accordance with the Trust Deed, 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, subject to and in accordance with the Trust Deed, determine, without the consent of the Noteholders, that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) by the relevant Issuer 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 7A (*Benchmark Replacement*) in connection with implementing any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Condition 7A (*Benchmark Replacement*) without the requirement for the consent or sanction of the Noteholders. Such consent shall be subject to the receipt by the Trustee of the certificate signed by two Authorised Signatories of the Issuer referred to in Condition 7A(vi) and the Trustee shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence of the matter confirmed and certified therein.

Unless the Trustee agrees otherwise, any such authorisation, determination, waiver or modification shall be notified to the Noteholders by the relevant Issuer or the Issuers (as applicable) as soon as practicable thereafter in accordance with Condition 20 (*Notices*).

- (c) *Substitution*: Subject to Condition 18(d) (*Supervisory Authority notice or consent*) below, the Trustee may, without the consent of the Noteholders, agree with the relevant Issuer to the substitution in place of the relevant Issuer (or of any previous substitute under this Condition 18(c)) as the principal debtor under the Notes and the Trust Deed of any of its wholly-owned Subsidiaries, subject to:
- (i) the Trustee being satisfied that such substitution is not materially prejudicial to the interests of the Noteholders; and
 - (ii) certain other conditions set out in the Trust Deed being complied with.
- (d) *Supervisory Authority notice or consent*: The provisions relating to the Tier 2 Capital Notes shall only be capable of modification or waiver and the relevant Issuer of Tier 2 Capital Notes may only be substituted in accordance with Condition 18(c) (*Substitution*) above, if the relevant Issuer has notified the Supervisory Authority of such modification, waiver or substitution and/or obtained Regulatory Approval (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 or a substitution of the relevant Issuer of the Tier 2 Capital Notes is proposed in accordance with Condition 18(c) (*Substitution*) above, the relevant Issuer shall provide to the Trustee a certificate signed by two Authorised Signatories, certifying either that (i) it has notified the Supervisory Authority of, and/or received the Supervisory Authority's consent to such modification, waiver or substitution, as the case may be; or (ii) the relevant Issuer is not required to notify the Supervisory Authority of, and/or obtain the Supervisory 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 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 not less than 30 nor more than 60 days' prior to such substitution taking effect in accordance with Condition 20 (*Notices*).

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 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 relevant Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

19. **Further Issues**

The relevant Issuer may from time to time, without the consent of the Noteholders 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 for the date for, and the amount of, the first payment of interest) so as to form a single series with the Notes. The relevant 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.

20. **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.

21. **Rounding**

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

22. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *Jurisdiction:* The parties to the Trust Deed have (i) 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 (including a dispute relating to the Notes or any non-contractual obligation arising out of or in connection with them); and (ii) 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.