

**CONFORMED COPY**

**THIRTY-FIRST SUPPLEMENTAL TRUST DEED**

**30 OCTOBER 2020**

**NATIONWIDE BUILDING SOCIETY**

**and**

**THE LAW DEBENTURE TRUST  
CORPORATION P.L.C.**

**further modifying and restating  
the Trust Deed dated 17 April 1991  
(as previously modified and restated)  
relating to the  
U.S.\$25,000,000,000 European Note Programme  
established by Nationwide Building Society**

**ALLEN & OVERY**

**Allen & Overy LLP**

0018293-0000504UKO2: 2001319585.10

**THIS THIRTY-FIRST SUPPLEMENTAL TRUST DEED** is made on 30 October 2020

**BETWEEN:**

- (1) **NATIONWIDE BUILDING SOCIETY**, a building society incorporated in England under the Building Societies Act 1986, whose principal office is at Nationwide House, Pipers Way, Swindon, SN38 1NW, England (hereinafter called the **Society** or the **Issuer**) of the one part; and
- (2) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, a company incorporated under the laws of England, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (hereinafter called the **Trustee**) of the other part.

**WHEREAS:**

- (1) This Thirty-First Supplemental Trust Deed is supplemental to:
  - (A) the Trust Deed dated 17 April 1991 (hereinafter called the **Principal Trust Deed**) made between the Society and the Trustee in respect of the U.S.\$750,000,000 (now U.S.\$25,000,000,000) (excluding Deposit Notes) European Note Programme established by the Society;
  - (B) the First Supplemental Trust Deed dated 6 November 1992 (hereinafter called the **First Supplemental Trust Deed**) made between the Society and the Trustee modifying the provisions of the Principal Trust Deed;
  - (C) the Second Supplemental Trust Deed dated 1 December 1993 (hereinafter called the **Second Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (D) the Third Supplemental Trust Deed dated 28 November 1995 (hereinafter called the **Third Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (E) the Fourth Supplemental Trust Deed dated 28 November 1996 (hereinafter called the **Fourth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
  - (F) the Fifth Supplemental Trust Deed dated 3 September 1997 (hereinafter called the **Fifth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
  - (G) the Sixth Supplemental Trust Deed dated 3 September 1998 (hereinafter called the **Sixth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (H) the Seventh Supplemental Trust Deed dated 13 August 1999 (hereinafter called the **Seventh Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (I) the Eighth Supplemental Trust Deed dated 11 August 2000 (hereinafter called the **Eighth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;

- (J) the Ninth Supplemental Trust Deed dated 9 August 2001 (hereinafter called the **Ninth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (K) the Tenth Supplemental Trust Deed dated 9 August 2002 (hereinafter called the **Tenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (L) the Eleventh Supplemental Trust Deed dated 8 August 2003 (hereinafter called the **Eleventh Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (M) the Twelfth Supplemental Trust Deed dated 6 August 2004 (hereinafter called the **Twelfth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (N) the Thirteenth Supplemental Trust Deed dated 8 August 2006 (hereinafter called the **Thirteenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (O) the Fourteenth Supplemental Trust Deed dated 5 October 2006 (hereinafter called the **Fourteenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (P) the Fifteenth Supplemental Trust Deed dated 22 October 2007 (hereinafter called the **Fifteenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (Q) the Sixteenth Supplemental Trust Deed dated 11 November 2008 (hereinafter called the **Sixteenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (R) the Seventeenth Supplemental Trust Deed dated 28 September 2011 (hereinafter called the **Seventeenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (S) the Eighteenth Supplemental Trust Deed dated 2 October 2012 (hereinafter called the **Eighteenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (T) the Nineteenth Supplemental Trust Deed dated 2 October 2013 (hereinafter called the **Nineteenth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (U) the Twentieth Supplemental Trust Deed dated 2 October 2014 (hereinafter called the **Twentieth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
- (V) the Twenty-First Supplemental Trust Deed dated 28 September 2015 (hereinafter called the **Twenty-First Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;

- (W) the Twenty-Second Supplemental Trust Deed dated 31 August 2016 (hereinafter called the **Twenty-Second Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
  - (X) the Twenty-Third Supplemental Trust Deed dated 17 July 2017 (hereinafter called the **Twenty-Third Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
  - (Y) the Twenty-Fourth Supplemental Trust Deed dated 31 August 2017 (hereinafter called the **Twenty-Fourth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (Z) the Twenty-Fifth Supplemental Trust Deed dated 16 February 2018 (hereinafter called the **Twenty-Fifth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (AA) the Twenty-Sixth Supplemental Trust Deed dated 20 February 2018 (hereinafter called the **Twenty-Sixth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (BB) the Twenty-Seventh Supplemental Trust Deed dated 27 February 2018 (hereinafter called the **Twenty-Seventh Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (CC) the Twenty-Eighth Supplemental Trust Deed dated 31 October 2018 (hereinafter called the **Twenty-Eighth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed;
  - (DD) the Twenty-Ninth Supplemental Trust Deed dated 8 February 2019 (hereinafter called the **Twenty-Ninth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying the provisions of the Principal Trust Deed; and
  - (EE) the Thirtieth Supplemental Trust Deed dated 1 November 2019 (hereinafter called the **Thirtieth Supplemental Trust Deed**) made between the Society and the Trustee and further modifying and restating the provisions of the Principal Trust Deed (the Principal Trust Deed, the First Supplemental Trust Deed, the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed, the Ninth Supplemental Trust Deed, the Tenth Supplemental Trust Deed, the Eleventh Supplemental Trust Deed, the Twelfth Supplemental Trust Deed, the Thirteenth Supplemental Trust Deed, the Fourteenth Supplemental Trust Deed, the Fifteenth Supplemental Trust Deed, the Sixteenth Supplemental Trust Deed, the Seventeenth Supplemental Trust Deed, the Eighteenth Supplemental Trust Deed, the Nineteenth Supplemental Trust Deed, the Twentieth Supplemental Trust Deed, the Twenty-First Supplemental Trust Deed, the Twenty-Second Supplemental Trust Deed, the Twenty-Third Supplemental Trust Deed, the Twenty-Fourth Supplemental Trust Deed, the Twenty-Fifth Supplemental Trust Deed, the Twenty-Sixth Supplemental Trust Deed, the Twenty-Seventh Supplemental Trust Deed, the Twenty-Eighth Supplemental Trust Deed, the Twenty-Ninth Supplemental Trust Deed and the Thirtieth Supplemental Trust Deed being hereinafter together called the **Subsisting Trust Deeds**).
- (2) On 30 October 2020 the Society published an updated Base Prospectus relating to the Programme.

**NOW THIS THIRTY-FIRST SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED** as follows:

1. SUBJECT as hereinafter provided and unless there is something in the subject matter or context inconsistent therewith all words and expressions defined in the Subsisting Trust Deeds shall have the same meanings in this Thirty-First Supplemental Trust Deed.
2. SAVE:
  - (a) in relation to all Series of Notes the first Tranches of which were issued during the period up to and including the day last preceding the date of this Thirty-First Supplemental Trust Deed; and
  - (b) for the purpose (where necessary) of construing the provisions of this Thirty-First Supplemental Trust Deed,

with effect on and from the date of this Thirty-First Supplemental Trust Deed:

- (i) the Principal Trust Deed (as previously modified and restated) is further modified in such manner as would result in the Principal Trust Deed as so further modified being in the form set out in the Schedule hereto; and
  - (ii) the provisions of the Principal Trust Deed (as previously modified and restated) insofar as the same still have effect shall cease to have effect and in lieu thereof the provisions of the Principal Trust Deed as so further modified (and being in the form set out in the Schedule hereto) shall have effect.
3. THE provisions of the Principal Trust Deed (as previously modified and restated) as further modified by this Thirty-First Supplemental Trust Deed shall be valid and binding obligations of each of the Society and the Trustee.
4. THE Subsisting Trust Deeds shall henceforth be read and construed as one document with this Thirty-First Supplemental Trust Deed.
5. A Memorandum of the Thirty-First Supplemental Trust Deed shall be endorsed by the Trustee on the Principal Trust Deed and by the Society on its duplicate thereof.
6. THIS Thirty-First Supplemental Trust Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same Thirty-First Supplemental Trust Deed and any party may enter into this Thirty-First Supplemental Trust Deed by executing a counterpart.

**IN WITNESS** whereof this Thirty-First Supplemental Trust Deed has been executed by the Society and the Trustee as a deed and delivered on the day and year first above written.

**THE SCHEDULE  
FORM OF MODIFIED PRINCIPAL TRUST DEED**

**TRUST DEED**

**17 APRIL 1991  
(AS MODIFIED AND RESTATED MOST RECENTLY ON 30 OCTOBER 2020)**

**NATIONWIDE BUILDING SOCIETY  
and  
THE LAW DEBENTURE TRUST CORPORATION P.L.C.**

**in respect of a  
U.S.\$25,000,000,000  
EUROPEAN NOTE PROGRAMME**

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**THIS TRUST DEED** is made the 17 April 1991 (as modified and restated most recently on 30 October 2020)

**BETWEEN:**

- (1) **NATIONWIDE BUILDING SOCIETY**, a building society incorporated in England under the Building Societies Act (as defined below), whose principal office is at Nationwide House, Pipers Way, Swindon, SN38 1NW (hereinafter called the **Society** or the **Issuer**) of the one part; and
- (2) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, a company incorporated under the laws of England, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (hereinafter called the **Trustee**) of the other part.

**WHEREAS:**

- (A) The Society has resolved from time to time to issue Notes to be constituted as set out herein. Up to a maximum nominal amount from time to time outstanding of U.S.\$25,000,000,000 (excluding Deposit Notes) all as more particularly provided in the Programme Agreement (the **Programme Limit**) may be issued pursuant to the said Programme.
- (B) The Trustee has agreed to act as trustee of these presents upon the terms and subject to the conditions hereinafter appearing.

**NOW THIS TRUST DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED** as follows:

**1. DEFINITIONS**

- 1.1 In these presents, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the meanings hereinafter mentioned (that is to say):

**Additional Tier 1 Capital** has the meaning set out in Condition 2.4;

**Agency Agreement** means the Amended and Restated Agency Agreement dated 30 October 2020 appointing Citibank, N.A., London Branch as Agent and the Paying Agent in relation to all or any Series of the Notes and any other agreement for the time being in force appointing further or other Agents or Paying Agents in relation to all or any Series of the Notes, or in connection with their duties, the terms of which have been approved in writing by the Trustee, together with any agreement for the time being in force amending, modifying or restating with the prior written approval of the Trustee any of the aforesaid agreements;

**Agent** means Citibank, N.A., London Branch at its specified office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or, if applicable, any successor agent in relation to all or any Series of the Notes which shall become such pursuant to the provisions of the Agency Agreement or such other agent in relation to all or any Series of the Notes for the time being as may (with the prior written approval of, and on terms previously approved in writing by, the Trustee) from time to time be appointed as such by the Society and (except in the case of the initial Agent) notice of whose appointment has been given to the Noteholders holding Notes of the relevant Series pursuant to subclause 14.1(m) in accordance with Condition 18;

**Auditors** means the auditors for the time being of the Society or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these

presents, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Society;

**Authorised Signatory** means any person authorised in relation to the Programme (either specifically or generally) by any resolution in force from time to time of the Board of Directors of the Society or by any minute of delegation in force from time to time made by any person authorised so to delegate by any such resolution or any person not so named who is a Director or General Manager or the Secretary of the Society or any other person for the time being approved by the Trustee;

**Building Societies Act** means the Building Societies Act 1986, as amended and all orders and regulations made thereunder;

**Building Societies Act 2007** means the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, as amended and all orders and regulations made thereunder;

**business day** means each day (not being a Saturday or a Sunday) upon which banks are open for business in the City of London;

**CET1 Capital** has the meaning set out in Condition 2.4;

**CGN** means a Temporary Global Note or a Permanent Global Note and in either case in respect of which the applicable Final Terms indicate is not a New Global Note;

**Clearstream, Luxembourg** means Clearstream Banking S.A.;

**Code** means the U.S. Internal Revenue Code of 1986;

**Companies Act** means the Companies Act 2006 (as amended or re-enacted from time to time);

**Conditions** means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1, as completed and amended (if applicable) by the Final Terms applicable to the Notes of the relevant Series or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), in each case as from time to time modified in accordance with the provisions of these presents;

**Coupon** means an interest coupon attached on issue to a Definitive Note (other than a Zero Coupon Note), such coupon being:

- (a) if appertaining to a Fixed Rate Note, substantially in the form set out in Part 4A of Schedule 2; or
- (b) if appertaining to a Floating Rate Note, substantially in the form set out in Part 4B of Schedule 2; or
- (c) if appertaining to a Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note, in such form as may be agreed between the Society, the Agent, the Trustee and the relevant Dealer(s);

**Couponholders** means the several persons who are for the time being holders of the Coupons and includes, where applicable, the Talonholders;

**Dealers** means Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Europe Limited, Deutsche Bank, AG London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, NatWest Markets Plc, Nomura International plc, RBC Europe Limited, Société Générale, UBS AG London Branch and any other entity which the Society may appoint as a Dealer under the Programme Agreement in accordance with the terms thereof and notify to the Agent and the Trustee in writing, and **Dealer** means any one of them;

**Definitive Note** means a definitive Note issued or, as the case may require, to be issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) in exchange for a Temporary Global Note or a Permanent Global Note (all as indicated in the applicable Final Terms), such definitive Note being substantially in the form set out in Part 3 of Schedule 2 with such modifications (if any) as may be agreed between the Society, the Agent, the Trustee and the relevant Dealer(s) and having where appropriate (except in the case of a Zero Coupon Note) Coupons and, where appropriate, Talons attached thereto on issue;

**Deposit Note** means a note denominated in Australian dollars, Canadian dollars, Danish Krone, euro, Hong Kong dollars, New Zealand dollars, Norwegian Krone, Sterling, Swiss francs, U.S. Dollars, Yen or such other currency or currencies as may be agreed between the Society and the relevant Dealer(s) which:

- (a) is not anticipated to be listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system;
- (b) represents a deposit or deposits made with the Society of at least such minimum amount as may be required from time to time by the relevant monetary authority or any laws or regulations applicable to the Society or the relevant currency; and
- (c) has such minimum and/or maximum maturity as may be required from time to time by the relevant monetary authority or any laws or regulations applicable to the Society or the relevant currency,

and is issued or to be issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) and which shall initially be represented by, and comprised in, a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes and includes any replacement for a Deposit Note issued pursuant to Condition 16;

**Directors** means the Board of Directors for the time being of the Society;

**Engagements** has the same meaning as for the purposes of Section 94 of the Building Societies Act;

**Euroclear** means Euroclear Bank SA/NV;

**Eurosystem-eligible NGN** means a NGN which is intended to be held in a manner which would allow Eurosystem eligibility;

**Event of Default** means any of the events provided in Conditions 10 and 11 to be events upon the happening of which the Notes of the relevant Series would, subject only to notice by the Trustee as therein provided, become immediately due and repayable;

**Excluded Dissolution** has the meaning set out in Condition 2.4;

**Extraordinary Resolution** has the meaning set out in paragraph 21 of Schedule 3;

**FATCA Withholding Tax** means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or any withholding or deduction otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto;

**Final Terms** has the meaning set out in the Programme Agreement;

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

**Floating Rate Note** means a Note on which interest is calculated at a floating rate, payable one-, two-, three-, six- or 12-monthly or in respect of such other period as the Society and the relevant Dealer(s) may agree;

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

**Global Note** means a Temporary Global Note and/or a Permanent Global Note;

**Group** means the Society and its Subsidiaries (if any);

**Hierarchy Order** has the meaning set out in Condition 2.4;

**Insolvency Act** has the meaning set out in Condition 2.4;

**Interest Accrual Period** has the meaning set out in Condition 4.2(b)(viii);

**Interest Commencement Date** means, in the case of interest-bearing Notes, the date specified in the applicable Final Terms from (and including) which such Notes bear interest or, if no date is so specified, the Issue Date;

**Interest Payment Date** means, in relation to any Floating Rate Note, either:

- (a) the date which falls the number of months or other period specified as the **Interest Period** in the applicable Final Terms after the preceding Interest Payment Date or the Interest Commencement Date (in the case of the first Interest Payment Date); or
- (b) such date or dates as are indicated in the applicable Final Terms;

**Issue Date** means, in respect of any Note, the date of issue and subscription thereof pursuant to and in accordance with the Programme Agreement or any other agreement between the Society and the relevant Dealer(s), being in the case of any Permanent Global Note or Definitive Note, the same date as the date of issue of the Temporary Global Note which initially represented such Note;

**Issue Price** means the price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued;

**London Stock Exchange** means the London Stock Exchange plc or such other body to which its functions have been transferred;

**Loss Absorption Compliant Notes** has the meaning set out in Condition 5.13;

**Loss Absorption Regulations** has the meaning set out in Condition 5.4;

**Maturity Date** means, in respect of any Note, the date on which it is expressed to be repayable;

**month** means calendar month;

**NGN** means a Temporary Global Note or a Permanent Global Note and in either case in respect of which the applicable Final Terms indicate is a New Global Note;

**Note** means, as applicable, a Senior Preferred Note, a Senior Non-Preferred Note, a Deposit Note or a Subordinated Note and (except for the purposes of Clause 3) includes any Global Note;

**Noteholders** means the several persons who are for the time being holders of outstanding Notes save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Global Note deposited with a common depository (in the case of a CGN) or common safekeeper (in the case of a NGN) Euroclear and/or of Clearstream, Luxembourg, each person (other than Clearstream, Luxembourg or Euroclear respectively) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (including any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding), as evidence as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer, solely in such common depository or common safekeeper of such Global Note in accordance with and subject to its terms and the provisions of these presents (or the Trustee in accordance with these presents) and the expressions **Noteholder**, **holder of Notes** and related expressions shall be construed accordingly;

**notice** means, in respect of a notice to be given to Noteholders, a notice validly given pursuant to Condition 18;

**Official List** has the meaning ascribed thereto in Section 103 of the FSMA;

**Ordinary Non-Preferential Debts** has the meaning set out in Condition 2.4;

**outstanding** means, in relation to the Notes, all Notes issued other than (a) those which have been redeemed in accordance with these presents or the Conditions, (b) those in respect of which the date for redemption in accordance with these presents or the Conditions has occurred and the redemption moneys therefor (including all interest and premium (if any) payable in respect thereof) have been duly paid to the Trustee in the manner provided in these presents, or to the Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the relevant Noteholders in accordance with Condition 18) and remain available for payment against presentation of Notes, (c) those which have become void under Condition 12, (d) those which have been purchased by or on behalf of the Society or any of its Subsidiaries and cancelled as provided in Condition 5, (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 16, (f) (for the purpose only of ascertaining the amount of Notes outstanding and without prejudice to their status for any other purpose) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which

replacements have been issued pursuant to Condition 16, and (g) Temporary Global Notes to the extent that they shall have been duly exchanged for Permanent Global Notes or Definitive Notes and Permanent Global Notes to the extent that they shall have been duly exchanged for Definitive Notes, in each case pursuant to their respective provisions,

PROVIDED THAT for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders, an Extraordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents given through the relevant Clearing System(s) as envisaged by paragraph 23 of Schedule 3 and any direction or request by the holders of the Notes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of subclause 11.1, Conditions 10 and 11 and paragraphs 3, 6, 7 and 11 of Schedule 3;
- (iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any of them; and
- (iv) the determination by the Trustee whether any of the events mentioned in Condition 10 is materially prejudicial to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being beneficially owned by the Society or any of its Subsidiaries shall be deemed not to remain outstanding;

**Paying Agents** means the several institutions (including, where the context permits or requires, the Agent) at their respective specified offices initially appointed as paying agents by the Society pursuant to the Agency Agreement and/or such other or further specified paying agents in relation to all or any of the Notes which shall become such pursuant to the provisions of the Agency Agreement and/or such other or further paying agents in relation to the Notes of all or any Series as may from time to time be appointed in respect thereof by the Society with the prior written approval of the Trustee and/or such other or further specified offices (in the former case being within the same city as those for which they are substituted) as may from time to time be nominated or appointed in respect thereof by the Society with the prior written approval of the Trustee and notice of whose nomination or appointment is given to the relevant Noteholders;

**Permanent Global Note** means a global note substantially in the form set out in Part 2 of Schedule 2 with such modifications (if any) as may be agreed between the Society, the Agent, the Trustee and the relevant Dealer(s), comprising Notes of a single Series, issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) and these presents in exchange for the whole or part of the Temporary Global Note issued in respect of the Notes of the same Series;

**Permitted Reorganisation** has the meaning set out in Condition 14;

**Potential Event of Default** means any of the events provided in Conditions 10 and 11 to be events on the happening of which the Notes of the relevant Series would, subject only to certification and/or lapse of time and/or notice by the Trustee as therein provided, become immediately due and repayable;

**Principal Subsidiary** means

- (a) a Subsidiary of the Society whose total assets (attributable to the Society) represent 10 % or more of the consolidated total assets of the Society and its Subsidiaries calculated by reference to the then latest audited accounts (consolidated if such Subsidiary has Subsidiaries) of such Subsidiary and the then latest audited consolidated accounts of the Society and its Subsidiaries; and
- (b) (in the case of a transfer by a Subsidiary which is a Principal Subsidiary by virtue of all or a major part of its assets) any such transferee, which is a Subsidiary, as from the effective date of such transfer but not (unless such transferee Subsidiary would otherwise be a Principal Subsidiary by virtue of (a)) beyond the date of the issue of the next audited consolidated accounts of the Group;

**Priority Claims** has the meaning given in subclause 8.2;

**Programme** means the European Note Programme established by the Programme Agreement;

**Programme Agreement** means the agreement of even date herewith between the Society and the Dealers concerning the subscription of Notes to be issued by the Society as the same may be from time to time amended, varied, novated or supplemented with the prior approval of the Trustee (such approval not to be unreasonably withheld);

**Ranking Legislation** has the meaning set out in Condition 2.4;

**Rate of Interest** has the meaning set out in Condition 4;

**Regulatory Capital Requirements** has the meaning set out in Condition 2.4;

**Relevant Date** has the meaning set out in Condition 9;

**repay, redeem and pay** shall each include both the others and **repaid, repayable, repayment, redeemed, redeemable, redemption, paid, payable and payment** shall be construed accordingly;

**Security** means any mortgage, lien (not being a lien arising by operation of law), pledge or other security interest upon the whole or any part of the undertaking or assets, present or future, of the Society or any of its Subsidiaries;

**Secondary Non-Preferential Debts** has the meaning set out in Condition 2.4;

**Senior Claimants** means all creditors of the Society in respect of Senior Claims in their capacity as such;

**Senior Claims** means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are:

- (a) claims of depositors of the Issuer;
- (b) claims of investing members of the Issuer as regards the principal and interest due on share investments other than deferred share investments; and
- (c) claims of creditors in respect of Ordinary Non-Preferential Debts of the Issuer and all other obligations of the Issuer which are preferred by law to Secondary Non-Preferential Debts;

**Senior Non-Preferred Claimants** means all creditors of the Society in respect of Senior Non-Preferred Claims in their capacity as such;

**Senior Non-Preferred Claims** means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims of creditors in respect of Secondary Non-Preferential Debts of the Issuer;

**Senior Non-Preferred Note** means a note which:

- (a) provides that the right to payment of principal and interest in respect thereof ranks junior to the Senior Claims in the manner specified in Clause 7 and Condition 2.2;
- (b) is denominated and payable in any such currency as may from time to time be permitted by the Prudential Regulation Authority or any other relevant authority and has such minimum or maximum denomination as may be required from time to time by the Society or the relevant authority or any laws or regulations applicable to the Society or the relevant currency; and
- (c) has such minimum and/or maximum maturity as may be required from time to time by the relevant authority or any laws or regulations applicable to the Society or the relevant currency,

and is issued or to be issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) which shall initially be represented by, and comprised in, a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes (all as indicated in the applicable Final Terms) and includes any replacement for a Senior Non-Preferred Note issued pursuant to Condition 16;

**Senior Preferred Note** means a note denominated in Australian dollars, Canadian dollars, Danish Krone, euro, Hong Kong dollars, New Zealand dollars, Norwegian Krone, Sterling, Swiss francs, U.S. Dollars, Yen or such other currency or currencies as may be agreed between the Society and the relevant Dealer(s) which:

- (a) ranks as provided in Condition 2.1;
- (b) has such minimum and/or maximum maturity as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the Society or the relevant currency; and
- (c) has such minimum denomination as may be required from time to time by the relevant monetary authority or any laws or regulations applicable to the Society or the relevant currency,

and is issued or to be issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) and which shall initially be represented by, and comprised in, a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes (all as indicated in the applicable Final Terms) and includes any replacements for a Senior Preferred Note issued pursuant to Condition 16;

**Series** has the meaning set out in the Conditions and the expressions **Notes of the relevant Series** and **holders of Notes of the relevant Series** shall be construed accordingly;

**Shortfall** has the meaning given in subclause 8.2;

**Society or Issuer** means Nationwide Building Society or any successor pursuant to these presents;

**Stock Exchange** means the London Stock Exchange or any other or further listing authority, stock exchange and/or quotation system on which any Notes may from time to time be admitted to listing, trading and/or quotation and references in these presents to the **relevant Stock Exchange** shall, in relation to any Notes, be references to any listing authority, stock exchange and/or quotation system on which such Notes are, from time to time, or are intended to be, listed, traded and/or quoted;

**Subordinated Claimants** means all creditors of the Society in respect of Subordinated Claims in their capacity as such;

**Subordinated Claims** means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims in respect of Tertiary Non-Preferential Debts of the Issuer, including (without limitation) claims of creditors in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital, Additional Tier 1 Capital or CET1 Capital (including the Issuer's core capital deferred shares) and claims in respect of the Issuer's permanent interest bearing shares;

**Subordinated Note** means a note which:

- (a) provides that the right to payment of principal and interest in respect thereof is subordinated in the manner specified in Clause 8 and Condition 2.3;
- (b) is denominated and payable in any such currency as may from time to time be permitted by the Prudential Regulation Authority or any other relevant authority and has such minimum or maximum denomination as may be required from time to time by the Society or the relevant authority or any laws or regulations applicable to the Society or the relevant currency; and
- (c) has such minimum and/or maximum maturity as may be required from time to time by the relevant authority or any laws or regulations applicable to the Society or the relevant currency,

and is issued or to be issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) which shall initially be represented by, and comprised in, a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes and includes any replacement for a Subordinated Note issued pursuant to Condition 16;

**Subsidiary** means each subsidiary as defined in Section 1159 of the Companies Act for the time being of the Issuer;

**Successor Entity** has the meaning set out in Condition 14;

**Successor in Business** means:

- (a) any building society which is validly and effectually, in accordance with all enactments, orders and regulations in force from time to time, registered as a successor society to the Society and to another building society or other building societies in order to effect the amalgamation of the Society with such other society or societies; or

- (b) any building society which validly and effectually, in accordance with all enactments, orders and regulations in force from time to time, undertakes to fulfil the obligations of the Society under these presents as part of a transfer of engagements by the Society to such building society; or
- (c) a company or other entity to which the Society validly and effectually, in accordance with all enactments, orders and regulations in force for the time being and from time to time, as part of a transfer of the whole or substantially the whole of its business, undertaking or assets, transfers the whole or substantially the whole of its business, undertaking or assets for the purpose of such other company or entity assuming and conducting the business of the Society in its place and which company or other entity undertakes to fulfil the obligations of the Society under these presents; or
- (d) any other entity which in acquiring in any other manner all or a substantial part of the undertaking, property and/or assets of the Society or in carrying on as a successor to the Society the whole or a substantial part of the business carried on by the Society prior thereto undertakes to fulfil the obligations of the Society under these presents,

where, in each of the cases in paragraphs (a) to (d) above, the terms of the proposed transaction have previously been approved by the Trustee;

**Talontholders** means the several persons who are for the time being holders of the Talons;

**Talons** means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, a Definitive Note (other than a Zero Coupon Note), such talons being in the form or substantially in the form set out in Part 5 of Schedule 2 or in such other form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 16;

**Temporary Global Note** means a global note substantially in the form set out in Part 1 of Schedule 2 with such modifications (if any) as may be agreed between the Society, the Agent, the Trustee and the relevant Dealer(s), comprising Notes of a single Series, issued by the Society pursuant to the Programme Agreement or any other agreement between the Society and the relevant Dealer(s) and these presents;

**Tertiary Non-Preferential Debts** has the meaning set out in Condition 2.4;

**these presents** means this Trust Deed and the Schedules (as from time to time modified in accordance with the provisions herein contained) and includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto;

**Tier 2 Capital** has the meaning set out in Condition 2.4;

**Tranche** has the meaning set out in the Conditions;

**trust corporation** means a corporation entitled by rules made under the Public Trustee Act 1906 to act as a custodian trustee;

**Trustee** means The Law Debenture Trust Corporation p.l.c. or any other trustee or trustees for the time being of these presents;

**Trustee Acts** means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

**Zero Coupon Notes** means Notes on which no interest is payable;

words denoting the singular number only shall include the plural number also;

words denoting the masculine gender only shall include the feminine gender also; and

words denoting persons only shall include companies, corporations and partnerships.

1.2 In these presents references to:

- (a) any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
- (b) winding up of the Society shall be deemed also to include any dissolution of the Society by consent pursuant to Section 87 of the Building Societies Act;
- (c) principal and/or principal amount and/or interest in respect of the Notes shall be construed in accordance with Condition 6.4;
- (d) costs or charges or expenses or remuneration shall be deemed to include references to any value added tax or similar tax charged or chargeable in respect thereof;
- (e) the **relevant currency** shall be construed as references to the currency in which payments in respect of the Notes and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms or any successor currency under applicable law;
- (f) any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in these presents;
- (g) to taking proceedings against the Society shall be deemed to include references to proving in the winding up of the Society;
- (h) Euroclear and/or Clearstream, Luxembourg shall, in respect of a Series of Notes and whenever the context so permits (but not in the case of any NGN), be deemed to include references to any additional or alternative clearing system specified in Part B of the applicable Final Terms;
- (i) the **records** of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interest in the Notes;
- (j) to the **subscription of Notes** shall, in connection with the issue of a Deposit Note, be deemed to include the making of the relevant deposit by reference and subject to which such Deposit Note is issued and the terms **subscription price** and **subscription** shall be construed accordingly; and
- (k) to the nominal amount of the Notes shall be construed as references to the nominal amount of the Notes as from time to time reduced as a result of any repayment, prepayment or purchase and in each case cancellation.

- (l) the **Financial Conduct Authority** shall be construed as references to the Financial Conduct Authority as established under the Financial Services Act 2012 or any other body performing the same or similar functions with respect to conduct regulation and oversight.
- (m) the **Prudential Regulation Authority** shall be construed as references to the Bank of England acting as the Prudential Regulation Authority established through its Prudential Regulation Committee or any other body performing the same or similar functions with respect to prudential regulation and oversight.
- (n) the **European Union** and the **European Economic Area** shall be deemed to include the United Kingdom and **Member State** shall be construed accordingly.

- 1.3 References in this Trust Deed to Schedules, Clauses, subclauses, paragraphs and subparagraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, subclauses, paragraphs and subparagraphs of this Trust Deed respectively.
- 1.4 Unless the context otherwise requires, words and expressions contained in these presents shall bear the same meanings as in the Building Societies Act and the Companies Act (as amended).
- 1.5 As used herein, in relation to any Notes which are, or are to be, admitted to listing, trading and/or quotation by one or more listing authorities, stock exchanges and/or quotation systems all references to "listed" and "listing" shall be construed to mean that such Notes are, or are to be, admitted to listing, trading and/or quotation by any relevant listing authority, stock exchange and/or quotation system as is applicable and, in particular, in relation to any Notes which are, or are to be, admitted to listing on the Official List by the Financial Conduct Authority and admitted to trading on the London Stock Exchange's regulated market all references to "listed" and "listing" shall be construed to mean that such Notes are, or are to be, admitted to listing on the Official List by the Financial Conduct Authority and admitted to trading on the London Stock Exchange's regulated market.
- 1.6 The headings and Index are inserted herein only for convenience and shall not affect the construction hereof.
- 1.7 The provisions contained in the Schedules shall have effect as if they had been set out and incorporated herein.

## **2. AMOUNT OF THE NOTES; SERIES OF NOTES; COVENANT TO PAY PRINCIPAL AND INTEREST ON THE NOTES**

- 2.1 The Notes will be issued in Series in an aggregate nominal amount from time to time outstanding (excluding Deposit Notes) not exceeding the Programme Limit (and for this purpose each Note (other than a Deposit Note) denominated in a currency other than U.S. dollars shall be converted into U.S. dollars in accordance with the provisions of the Programme Agreement).

By not later than 3pm (London time) on the business day preceding each proposed Issue Date, the Society shall notify the Trustee in writing of the Notes of the relevant Series then proposed to be issued, such notice to be accompanied by a copy of the applicable Final Terms, shall deliver to the Trustee a certificate in a form approved by the Trustee signed by two Authorised Signatories certifying the absence of any Event of Default or Potential Event of Default and, in the case of Notes other than Deposit Notes, compliance with the Programme Limit and shall require the Agent to notify the Trustee in writing without delay of the Issue Date of each Temporary Global Note and the nominal amount of the Notes of the relevant Series represented thereby. Forthwith upon the issue of, and full payment for, the relevant Temporary Global Note(s), the Notes of the Series to which it or they relate(s) shall become constituted by these presents without further formality.

Before the first issue of Notes in each calendar year after 1991 and on such other occasions as the Trustee so requests the Society (on the basis that the Trustee reasonably considers it desirable in view of a change (or proposed change) in applicable English law or regulation affecting the Society, the Notes, the Programme Agreement, these presents or the Agency Agreement or the Trustee has other reasonable grounds), the Society will procure that a further legal opinion relating to such change (or proposed change) as the Trustee may reasonably require from the current legal advisers to the Society is delivered to the Trustee. If at or prior to the time of any agreement under Clause 2 of the Programme Agreement such request is given with respect to the Notes to be issued, the receipt of such opinion in a form satisfactory to the Trustee shall be a further condition precedent to the issue of those Notes.

2.2 The Society will, on any date when the Notes of any Series or any of them become due to be redeemed, unconditionally pay or procure to be paid to, or to the order of, or for the account of, the Trustee, in the relevant currency in immediately available funds, the principal amount of the Notes of such Series becoming due for redemption on that date and shall (subject to the relevant Conditions) until such payment (after as well as before any judgment or other order of a competent court) unconditionally pay to, or to the order of, or for the account of, the Trustee as aforesaid interest on the nominal amount of each of the outstanding Notes of such Series in accordance with the relevant Conditions PROVIDED THAT:

- (a) every payment in accordance with the relevant Conditions in respect of such Notes to or to the account of the Agent in the manner provided in the Agency Agreement shall operate in satisfaction *pro tanto* of the relative covenant by the Society in this Clause 2 contained except to the extent that there is default in the subsequent payment thereof in accordance with the relevant Conditions to the relevant Noteholders or Couponholders (as the case may be);
- (b) in the case of any payment of principal made to the Trustee or the Agent after the due date or on or after accelerated maturity following an Event of Default, interest shall accrue or continue to accrue on the nominal amount of the relevant Notes in accordance with the relevant Conditions up to and including the date (being not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue up to and including that date, has been received by the Trustee or the Agent) which the Trustee determines to be the date on and after which payment is to be made to the relevant Noteholders in respect thereof as stated in a notice given to the relevant Noteholders in accordance with Condition 18; and
- (c) in any case where payment of the whole or any part of the principal amount of any Note of such Series is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by paragraph (b) above) interest shall accrue on the nominal amount of such Note payment in respect of which has been so withheld or refused at the rate aforesaid from the date of such withholding or refusal up to and including the date on which notice is given in accordance with Condition 18 that the full amount in the relevant currency payable in respect of such Note is available for payment.

2.3 At any time after an Event of Default or a Potential Event of Default shall have occurred the Trustee may:

- (a) by notice in writing to the Society, the Agent and the other Paying Agents, require the Agent and the other Paying Agents pursuant to the Agency Agreement:
  - (i) to act thereafter as Agent and Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of these presents *mutatis mutandis* on the terms provided in the Agency Agreement (except

that the Trustee's liability under any provisions therein contained shall be limited to the amount for the time being held by the Trustee on the terms of these presents relating to the Notes of the relevant Series) and thereafter to hold all such Notes and the relative Coupons and all sums, documents and records held by them in respect of such Notes and Coupons on behalf of the Trustee; or

(ii) to deliver up all such Notes and Coupons and all sums, documents and records held by them in respect of such Notes and Coupons in each case held by them in their capacity as Agent or, as the case may be, Paying Agent to the Trustee or as the Trustee shall direct in such notice, provided that such notice shall be deemed not to apply to any document or record which the relative Paying Agent is obliged not to release by any applicable law or regulation; and

(b) by notice in writing to the Society, require it to make all subsequent payments in respect of such Notes and Coupons to or to the order of the Trustee and not to the Agent, and with effect from the issue of any such notice unless and until such notice is withdrawn, proviso (a) to subclause 2.2 above and Clause 12 (insofar as it applies to payment by the Society) shall cease to have effect.

2.4 Except where the Reference Rate in respect of the relevant Series of Notes is specified in the applicable Final Terms as being "Compounded Daily SONIA", "Compounded Daily SOFR", "Weighted Average SOFR" or "Compounded Daily €STR", if the Notes of any such Series become immediately due and repayable under Condition 10 or, as the case may be, Condition 11 the rate and/or amount of interest payable in respect of them will be calculated at quarterly intervals, the first of which will commence on the expiry of the Interest Period (as defined in Condition 4) during which the Notes of the relevant Series become so due and repayable in accordance with Condition 10 or, as the case may be, Condition 11 (with consequential amendments as necessary) except that the rates of interest need not be published.

Where the Reference Rate in respect of the relevant Series of Notes is specified in the applicable Final Terms as being "Compounded Daily SONIA", "Compounded Daily SOFR", "Weighted Average SOFR" or "Compounded Daily €STR", if the Notes of any such Series become immediately due and repayable in accordance with Condition 10 or Condition 11 (as applicable), the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and repayable and, such Rate of Interest shall continue to apply to such Notes for so long as interest continues to accrue thereon as provided in Condition 4.5 and these presents.

2.5 All payments in respect of, under and in connection with these presents and the Notes of any Series to the relevant Noteholders and Couponholders shall be made in the relevant currency.

2.6 The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of subclause 2.3 of this Clause 2 and of Clauses 4, 6, 9 to 25 (both inclusive) and subclause 26.2 and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedules the expressions "Notes", "Noteholders", "Coupons" and "Couponholders" shall be construed accordingly.

### **3. FORMS AND ISSUE OF THE NOTES**

3.1 The Notes of each Tranche will initially be represented by a Temporary Global Note or, if so specified in the applicable Final Terms, a Permanent Global Note. Each Temporary Global Note shall be exchangeable for either Definitive Notes together with (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Global Note in each case in

accordance with the provisions set out therein. Each Permanent Global Note shall be exchangeable for Definitive Notes together with (except in the case of Zero Coupon Notes) Coupons and, where appropriate, Talons attached, all as set out in such Permanent Global Note. All Global Notes shall be prepared, completed and delivered to a common depository (in the case of a CGN) or common safekeeper (in the case of a NGN) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depository in accordance with any other agreement between the Society and the relevant Dealer(s) and, in each case, the Agency Agreement.

- 3.2 The Global Notes, the Definitive Notes, the Coupons and the Talons shall be in bearer form. The Global Notes may be facsimile or photocopies and each shall have annexed thereto a copy of the applicable Final Terms. The Definitive Notes, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to this Trust Deed) into such Definitive Notes if permitted by the relevant Stock Exchange (if any) or, if not so permitted, the Definitive Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Notes shall have endorsed thereon or attached thereto the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms. Title to the Global Notes, the Definitive Notes, the Coupons and the Talons shall pass by delivery.
- 3.3 The Global Notes and the Definitive Notes shall be signed manually or in facsimile either (a) by two Directors or (b) by one Director and the Secretary or an Authorised Signatory of the Society or (c) by two Authorised Signatories of the Society and shall be authenticated by or on behalf of the Agent and shall, in the case of a Eurosystem-eligible NGN, be effectuated by the common safekeeper acting on the instructions of the Agent. The Society may use the facsimile signature of any person who at the date such signature is affixed is a Director or the Secretary or an Authorised Signatory of the Society even if at the time of issue of the relevant Global Note or any relevant Definitive Notes he may have ceased for any reason to be a Director or the Secretary or an Authorised Signatory of the Society and the relevant Global Note or, as the case may be, relevant Definitive Note so executed and authenticated shall be binding and valid obligations of the Society. The Coupons and the Talons shall not be signed.
- 3.4 Except as ordered by a court of competent jurisdiction or as required by law, the Trustee, the Agent, the Paying Agents and the Society (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may (a) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Note or Coupon as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer of any Note or Coupon, and (b) for all other purposes deem and treat:
- (a) the bearer of any Definitive Note or Coupon, and
  - (b) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg as having a particular nominal amount of any Global Note credited to his securities account,

as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in the records of Euroclear or Clearstream, Luxembourg, a certificate or letter of confirmation signed on behalf of Euroclear or Clearstream, Luxembourg or any other form of record made by either of them) or as to the identity of the bearer of any Definitive Note or Coupon.

#### **4. STAMP DUTIES AND TAXES**

The Society shall pay all stamp duties and other similar duties or taxes (if any) payable (a) in the United Kingdom, Belgium and Luxembourg on or arising out of or in consequence of (i) the constitution and issue and delivery of the Global Notes, the Definitive Notes and the Coupons, (ii) the initial delivery of the Global Notes, the Definitive Notes and the Coupons and (iii) the execution of these presents and (b) in any jurisdiction on or arising out of or in consequence of any action taken by the Trustee (or any Noteholder or Couponholder where permitted under these presents so to do) to enforce the provisions of the Global Notes, the Definitive Notes, the Coupons or these presents. If in consequence of an Event of Default the Trustee (or any Noteholder or Couponholder where permitted under these presents so to do) shall take any proceedings against the Society in any jurisdiction and for the purposes of any such proceedings, these presents or any Global Note, Definitive Notes or Coupons are required to be and are taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Society shall pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

#### **5. COVENANT TO GIVE SUBSTITUTE TAX UNDERTAKING**

If the Society shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority of or in such territory having power to tax other than or in addition to the United Kingdom or any such political sub-division thereof or any such authority thereof or therein, then the Society shall immediately upon becoming aware thereof notify the Trustee thereof and (unless the Trustee shall otherwise agree) promptly give to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 9 with the substitution for, or, as the case may require, the addition to, the references therein to the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax of references to that other or additional territory, any political sub-division thereof and any authority of or in such territory having power to tax to whose taxing jurisdiction the Society shall have become subject as aforesaid, and in such event the Global Notes, the Definitive Notes, the Coupons, the Conditions and the provisions of these presents shall be read and construed accordingly.

#### **6. COVENANT TO OBSERVE PROVISIONS OF TRUST DEED AND SCHEDULES**

The Society hereby covenants with the Trustee that it will comply with those provisions of these presents which are expressed to be binding on it and to perform and observe the same. The Notes and the Coupons shall be held subject to the provisions contained in these presents, all of which shall be binding upon the Society, the Noteholders and the Couponholders and all persons claiming through or under them. The Trustee shall itself be entitled to enforce the obligations of the Society under the Notes, the Coupons and the Conditions in the manner therein provided as if the same were set out and contained in these presents which shall be read and construed as one document with the Notes. The provisions contained in the Schedules shall have full effect in the like manner as if the same had been incorporated herein.

#### **7. RANKING OF SENIOR NON-PREFERRED NOTES**

- 7.1 The Senior Non-Preferred Notes and any relative Coupons are direct and unsecured obligations of the Issuer and, subject to the Insolvency Act (and any other Ranking Legislation), constitute Secondary Non-Preferential Debts under the Insolvency Act (and any other Ranking Legislation), ranking *pari passu* and without any preference among themselves.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), claims in respect of principal, interest and any other amount (including, without limitation, any damages awarded for

breach of the Issuer's obligations) in respect of the Senior Non-Preferred Notes and any relative Coupons will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), rank as provided for Secondary Non-Preferential Debts in the Insolvency Act (and any other Ranking Legislation), and therefore:

- (a) junior in right of payment to all Senior Claims;
- (b) *pari passu* with all other Senior Non-Preferred Claims; and
- (c) in priority to all Subordinated Claims.

7.2 Any payment postponed under the Insolvency Act (or other Ranking Legislation) as explained in this Clause 7 but ultimately paid to the Trustee shall be paid to Noteholders holding Senior Non-Preferred Notes or, as the case may be, the relative Couponholders *pari passu* and rateably in accordance with the provisions of Clause 9.

7.3 Subject to applicable law, no holder of a Senior Non-Preferred Note or any relative Coupon may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Society arising under or in connection with the Senior Non-Preferred Notes or any relative Coupons, and each Noteholder and Couponholder shall, by virtue of being the holder of (or the holder of any interest in) any such Senior Non-Preferred Note or relative Coupon (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of a Senior Non-Preferred Note or relative Coupon against the Society is discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Society or, in the event of winding up or dissolution of the Society, the liquidator or other insolvency official of the Society, and accordingly such discharge will be deemed not to have taken place.

## **8. SUBORDINATION OF SUBORDINATED NOTES**

8.1 The Subordinated Notes and any relative Coupons are direct and unsecured obligations of the Issuer, subordinated as described below, and rank *pari passu* and without any preference among themselves.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), the Subordinated Notes form part of the class of Tertiary Non-Preferential Debts under the Insolvency Act (and any other Ranking Legislation), and claims in respect of principal, interest and any other amount (including, without limitation, any damages awarded for breach of the Issuer's obligations) in respect of the Subordinated Notes and any relative Coupons will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution):

- (a) be subordinated in right of payment in the manner provided in the Insolvency Act (and any other Ranking Legislation) and below to (x) all Senior Claims, (y) all Senior Non-Preferred Claims and (z) any Subordinated Claims (if any) which rank or are expressed to rank, in priority to claims in respect of the Subordinated Notes;
- (b) rank at least *pari passu* with claims in respect of obligations of the Society which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital; and
- (c) rank in priority to claims in respect of obligations of the Society which constitute, or would but for any applicable limitation on the amount of such capital constitute, Additional Tier 1 Capital or CET1 Capital (including the Society's core capital deferred shares (as referred to

in Condition 2)) and in priority to any other claims (including, without limitation, claims in respect of the Issuer's permanent interest bearing shares) which rank, or are expressed to rank, junior to the claims in respect of Subordinated Notes.

- 8.2 Accordingly, in the event of a winding-up or dissolution of the Society, any amounts paid to the Trustee in respect of claims in respect of Subordinated Notes shall (subject as otherwise provided in an Excluded Dissolution) be held by the Trustee upon trust:
- (a) firstly, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee in or about the preparation and execution of the trusts of these presents (including remuneration of the Trustee);
  - (b) secondly, to the extent of any Shortfall, for distribution in or towards payment or satisfaction of the Priority Claims; and
  - (c) thirdly, in or towards payment of any amounts owing in respect of the Subordinated Notes *pari passu* and rateably.

As used herein:

**Priority Claims** means claims in the winding-up or dissolution of the Society that are (x) Senior Claims, (y) Senior Non-Preferred Claims, and (z) any Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Subordinated Notes; and

**Shortfall** means, in the event that (notwithstanding the foregoing subordination provisions) any amounts are paid to the Trustee in a winding-up or dissolution of the Society in respect of the claims in respect of the Subordinated Notes without all Priority Claims of the Society having been paid in full, the amount by which the aggregate amount paid or distributable by the liquidator or insolvency official of the Society in the winding-up or dissolution in respect of the relevant Priority Claims is less than the amount of the relevant Priority Claims.

- 8.3 The trust mentioned in subclause 8.2(b) above may be performed by the Trustee by repaying to the Society or, as the case may be, the liquidator or other insolvency official of the Society the amount so to be distributed on terms that the Society or (as applicable) the liquidator or other insolvency official shall distribute the same accordingly, and in that event the receipt by the Society or, as the case may be, the liquidator or other insolvency official of the moneys so paid by the Trustee to it shall be a good discharge to the Trustee for the performance by the Trustee of the trust mentioned in subclause 8.2(b) above and the Trustee shall not be bound to supervise or be in any way responsible for such distribution.
- 8.4 Any payment paid to the Trustee in respect of claims in respect of Subordinated Notes shall (subject as provided in subclause 8.2) be paid to Noteholders holding Subordinated Notes or, as the case may be, the relative Couponholders *pari passu* and rateably in accordance with the provisions of Clause 9.
- 8.5 The Trustee shall be entitled and is hereby authorised by the Society to call for (and shall be entitled to accept as conclusive evidence thereof without further inquiry and without liability to any person) a certificate from the liquidator or other insolvency official of the Society as to:
- (a) the amount of any Priority Claims and as to whether they shall or shall not have been fully satisfied or otherwise fully provided for; and
  - (b) the creditors in respect of Priority Claims and their respective entitlements.

- 8.6 If the Trustee or any Noteholder holding Subordinated Notes or, as the case may be, the relative Couponholder receives any payment in respect of any such Subordinated Notes and/or the relative Coupons and the Trustee has not, prior to receiving such payment, been provided with a report in compliance with subclause 8.5 above, such payment shall, to the extent of any Shortfall, be deemed null and void and such payment or, as the case may be, such part thereof shall be held by the Trustee or any such Noteholder or Couponholder, as the case may be, upon trust to be applied in accordance with subclause 8.2 above. Each Noteholder of any such Subordinated Notes, or, as the case may be, the relative Couponholder by the acceptance thereof, agrees to and shall be bound by the provisions of this subclause.
- 8.7 Subject to applicable law, no holder of a Subordinated Note or any relative Coupon may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Society arising under or in connection with the Subordinated Notes or any relative Coupons, and each Noteholder and Couponholder shall, by virtue of being the holder of (or the holder of any interest in) any such Subordinated Note or Coupon (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of a Subordinated Note or relative Coupon against the Society is discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Society or, in the event of winding up or dissolution of the Society, the liquidator or other insolvency official of the Society and accordingly such discharge will be deemed not to have taken place.

## **9. APPLICATION OF MONEYS RECEIVED BY THE TRUSTEE**

- 9.1 All moneys received by the Trustee in respect of the amounts payable under the Notes of any Series, the Coupons appertaining to the Notes of any Series or these presents will, regardless of any appropriation of all or part of them by the Society, be held by the Trustee upon trust to apply them (subject, in all cases, to subclause 9.3 below and, (i) in the case of the Senior Non-Preferred Notes, to the provisions of Clause 7 and (ii) in the case of Subordinated Notes, to the provisions of Clause 8):
- (a) first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee in or about the preparation and execution of the trusts of these presents (including remuneration of the Trustee);
  - (b) secondly, in or towards payment *pari passu* and rateably of all arrears of interest (if any) remaining unpaid in respect of the Notes of the relevant Series and all principal moneys due in respect of such Notes PROVIDED THAT where Notes of more than one Series have become so due and repayable, such moneys shall be applied as between the amounts outstanding in respect of the different Series *pari passu* and rateably (except where such moneys are paid in respect of a specific Series or several specific Series, in which event such moneys shall be applied solely to the amounts outstanding in respect of that Series or those Series respectively); and
  - (c) in payment of the balance (if any) to the Society for itself.
- 9.2 Without prejudice to the provisions of this Clause 9, if the Trustee shall hold any moneys which represent principal or interest in respect of Notes or Coupons which have become void under Condition 12 the Trustee shall (subject to no sums being then owing to the Trustee or to Noteholders holding Notes of any other Series or to the relative Couponholders and to payment of (or provision for the payment or satisfaction of) the said costs, charges, expenses and liabilities, including the remuneration of the Trustee) pay the same forthwith to the Society.

### **9.3 Deposits**

No provision of these presents shall (a) confer on the Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by these presents and, to the extent permitted by law, Section 3 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents and (b) require the Trustee to do anything which may cause the Trustee to be considered a sponsor of a covered fund under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.

The Trustee may deposit moneys in respect of the Notes in its name in an account at such bank or other financial institution as the Trustee may, in its absolute discretion, think fit. If that bank or financial institution is the Trustee or a subsidiary, holding or associated company of the Trustee, the Trustee need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer.

The parties acknowledge and agree that in the event that any deposits in respect of the Notes are held by a bank or a financial institution in the name of the Trustee and the interest rate in respect of certain currencies is a negative value such that the application thereof would result in amounts being debited from funds held by such bank or financial institution (“negative interest”), the Trustee shall not be liable to make up any shortfall or be liable for any loss.

#### 9.4 **Apportionment**

If more than one Series of the Notes has become immediately due and repayable, the Trustee shall apportion between the relevant Noteholders the payment of the costs, charges, expenses and liabilities referred to above out of moneys received and held upon trust by the Trustee as aforesaid, in such manner and in such amounts as it shall, in its absolute discretion, consider appropriate.

### 10. **SUBSTITUTION**

#### 10.1 **Substitution in connection with a Permitted Reorganisation**

- (a) In the event of a Permitted Reorganisation (unless such substitution is effected automatically by operation of law), the Trustee shall, without the previous consent or sanction of the Noteholders (or, as the case may be, the holders of Notes of any one or more Series), or the Couponholders, at the request and expense of the Society, agree with the Society to the substitution in place of the Society (or of any previous substitute under this subclause 10.1 or subclause 10.2) as the principal debtor under these presents in respect of the Notes or, as the case may be, the Notes of any one or more Series and in respect of the relevant Notes and Coupons themselves of a Successor Entity PROVIDED THAT (i) a trust deed shall be executed or some other form of undertaking given by the Successor Entity to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of these presents and the relevant Notes and Coupons, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Successor Entity had been named in these presents and on the relevant Notes and Coupons as the principal debtor in place of the Society; (ii) prior to the entry into such trust deed(s) supplemental to the Trust Deed, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Society stating that (A) the substitution of the Successor Entity in place of the Society (or of any previous substitute under this subclause 10.1) as principal debtor under these presents in respect of the Notes or, as the case may be, the Notes of any one or more Series and in respect of the relevant Notes and Coupons themselves is being made pursuant to a Permitted Reorganisation and specifying details of such Permitted Reorganisation and (B) the Successor Entity has obtained all necessary governmental and regulatory approvals and consents necessary for its assumption of the obligations and liability as principal debtor under these presents in respect of the relevant Notes and Coupons and in respect of such

Notes and Coupons themselves in place of the Society and that such approvals and consents are at the time of substitution in full force and effect (and the Trustee shall be entitled to accept and rely on such certificate without liability to any person and without any further inquiry as sufficient evidence thereof, in which event it shall be conclusive and binding on the Trustee and all Noteholders and Couponholders or, as the case may be, the relevant Noteholders and Couponholders); and (iii) the Trustee shall not be obliged to enter into such trust deed(s) supplemental to the Trust Deed if such substitution pursuant to a Permitted Reorganisation would, in the Trustee's opinion, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities in any material respect or reduce or amend the protective provisions afforded to the Trustee in these presents or the Conditions (including, for the avoidance of doubt any supplemental trust deed) in any material respect.

- (b) The Society hereby covenants with the Trustee that it will not transfer its business to a successor in accordance with Section 97 of the Building Societies Act or pursuant to an order made under section 3 of the Building Societies Act 2007 unless either (i) the Trustee is satisfied that the successor will be or (as the case may be) remain an authorised person under the FSMA (or any statutory modification or re-enactment thereof) or (ii) such transfer is approved by an Extraordinary Resolution of the holders of the Notes of the relevant Series.

## 10.2 Substitution other than in connection with a Permitted Reorganisation

- (a) In circumstances other than a Permitted Reorganisation, the Trustee may, without the previous consent or sanction of the Noteholders (or, as the case may be, the holders of Notes of any one or more Series), or the Couponholders, agree with the Society to the substitution in place of the Society (or of any previous substitute under subclause 10.1 or this subclause 10.2) as the principal debtor under these presents in respect of the Notes or, as the case may be, the Notes of any one or more Series and in respect of the relevant Notes and Coupons themselves of either:

- (i) any Subsidiary of the Society or of any Successor in Business of the Society; or
- (ii) any Successor in Business of the Society,

each of which is hereinafter called the **Substituted Entity**,

PROVIDED THAT:

- (A) where the Substituted Entity is a Subsidiary of the Society or of any Successor in Business of the Society the following conditions shall apply:
- I. a trust deed shall be executed or some other form of undertaking given by the Substituted Entity to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of these presents and the relevant Notes and Coupons, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substituted Entity had been named in these presents and on the relevant Notes and Coupons as the principal debtor in place of the Society;
  - II. the Trustee shall require to be satisfied that (a) the Substituted Entity has obtained all necessary governmental and regulatory approvals and consents for its assumption of the obligations and liability as principal debtor under these presents in respect of the relevant Notes and Coupons and in respect of such Notes and Coupons themselves in place of the Society, (b) the Society

or, as the case may be, the Successor in Business of the Society has obtained all necessary governmental and regulatory approvals and consents necessary for the guarantee referred to in paragraph (A)III below, and (c) such approvals and consents are at the time of substitution in full force and effect;

- III. an unconditional and irrevocable guarantee of the Society or, as the case may be, any Successor in Business of the Society, in form and substance satisfactory to the Trustee, of the payment of all moneys payable by the Substituted Entity under these presents in respect of the relevant Notes and Coupons and in respect of such Notes and Coupons themselves shall have been given;
  - IV. the Society, any Successor in Business of the Society and the Substituted Entity shall comply with such other requirements as the Trustee may reasonably direct in the interests of the Noteholders (or, as the case may be, the holders of the Notes of the relevant Series);
  - V. two authorised signatories shall certify to the Trustee that the Substituted Entity is solvent at the time at which the said substitution is proposed to be effected. The Trustee shall not be bound to have regard to the Substituted Entity's financial condition, profits or prospects or to compare the same with those of the Society; and
  - VI. without prejudice to the rights of reliance of the Trustee under this paragraph (A)VI of this subclause 10.2(a), the Trustee is satisfied that the said substitution is not materially prejudicial to the interests of the Noteholders (or, as the case may be, the holders of the Notes of the relevant Series),
- (B) where the Substituted Entity is a Successor in Business of the Society the following conditions shall apply:
- I. *mutatis mutandis* those set out in paragraphs (A)I, IV, V and VI of this subclause 10.2(a); and
  - II. the Trustee shall require to be satisfied that the Substituted Entity has obtained all necessary governmental and regulatory approvals and consents necessary for its assumption of the obligations and liability as principal debtor under these presents in respect of the relevant Notes and Coupons and in respect of such Notes and Coupons themselves in place of the Society and that such approvals and consents are at the time of substitution in full force and effect.

### 10.3 **Substitution in relation to Subordinated Notes and Senior Non-Preferred Notes**

This subclause 10.3 applies only if this Note is a Subordinated Note or a Senior Non-Preferred Note, and reference herein to Notes shall be construed accordingly.

The Society hereby covenants with the Trustee that if it transfers its business to a company (the **Transferee Company**) within the meaning of the Companies Act 2006 as amended (or any successor thereto or re-enactment thereof) or to a body corporate which is incorporated in a European Economic Area state (other than the United Kingdom) pursuant to Section 97 of the Building Societies Act or pursuant to an order made under section 3 of the Building Societies Act 2007 then, upon such transfer becoming effective:

- (a) it will either deliver evidence reasonably satisfactory to the Trustee that the Transferee Company is an authorised person for the purposes of the FSMA or an EEA firm qualifying for authorisation under Schedule 3 to the FSMA or, if such evidence is not so delivered, procure that such transfer is approved by an Extraordinary Resolution of the holders of the Noteholders; and
- (b) it will, and will procure that the Transferee Company will, if so required by the Trustee, execute one or more deeds supplemental to this Trust Deed which has the effect of ensuring to the reasonable satisfaction of the Trustee that:
  - (i) the Transferee Company is bound by the terms of these presents and the Conditions of the Notes as fully as if all and any references therein to the Society were references to the Transferee Company; and
  - (ii) the rights of the holders of the Notes and the relative Coupons:
    - (A) are subordinated and postponed (or otherwise rank junior) to the claims of the persons who are holders of share investments (other than deferred share investments) which are qualifying shares (as defined in Section 100(3) of the Building Societies Act) in the Society in respect of claims arising by virtue of Section 100(2)(a) of the Building Societies Act and which are represented by those qualifying shares and to the claims of other unsecured and unsubordinated creditors of the Transferee Company (save that the rights of the holders of Senior Non-Preferred Notes may rank *pari passu* with any Secondary Non-Preferential Debts in respect of the Transferee Company or any other claims which rank, or are expressed to rank, *pari passu* therewith);
    - (B) (if such Notes are Subordinated Notes) are subordinated and postponed to the claims in respect of the Senior Non-Preferred Notes; and
    - (C) will be such that they rank in priority to the holders of the issued share capital of the Transferee Company,

and containing such other provisions as the Trustee (having regard in particular to the foregoing) may reasonably require; provided that no variation or supplement to the terms of these presents or of the Conditions of the Subordinated Notes shall be made in any such supplemental deed which would or might cause:

- (1) any qualifying own funds or capital resources of the Society for the purposes of the Regulatory Capital Requirements prevailing at that time to be excluded from such own funds or capital resources; or
- (2) any liabilities of the Society which, for the purposes of the Loss Absorption Regulations prevailing at that time, qualify towards the Society's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments to be excluded from such minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments.

#### 10.4 **Effect of substitution**

Any transfer or substitution pursuant to this Clause 10 shall be binding on the Society, the Trustee, the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter.

## **11. EVENTS OF DEFAULT AND INDEMNIFICATION OF THE TRUSTEE**

11.1 The Trustee shall not be bound to take any steps to enforce the obligations of the Society under these presents, the Notes or Coupons unless (a) it shall have been requested to do so in writing by the holders of not less than one-quarter in nominal amount of the Notes then outstanding or have been so directed by an Extraordinary Resolution and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith (including the cost of using its managements time and/or other internal resources calculated using its normal hourly rates in force from time to time).

### **11.2 Evidence of default**

Should the Trustee (or any Noteholder or Couponholder where entitled under these presents so to do) take any legal proceedings against the Society:

- (a) proof therein that, as regards any specified Note, default has been made by the Society in paying any principal and/or (where the same is not paid against presentation of a Coupon) interest due to the relative Noteholder shall (unless the contrary be proved) be prima facie evidence that like default has been made as regards all other Notes of the relevant Series in respect of which a corresponding payment is then due; and
- (b) proof therein that, as regards any specified Coupon, default has been made by the Society in paying any interest due to the relative Couponholder shall (unless contrary be proved) be prima facie evidence that like default has been made as regards all other Coupons appertaining to the Notes of the relevant Series in respect of which a corresponding payment is then due.

## **12. PAYMENT TO NOTEHOLDERS AND COUPONHOLDERS**

Any payment to be made in respect of the Notes or the Coupons by the Society or the Trustee may be made in the manner provided in the Conditions, and any payment so made shall be a good discharge to the Society or, as the case may be, the Trustee. Any payment in full of interest made in respect of a Coupon in the manner aforesaid shall extinguish any claim of a Noteholder which may arise directly or indirectly in respect of such interest.

## **13. PRODUCTION OF NOTES AND COUPONS**

Upon any payment under any of the provisions of subclause 2.2 or Clause 9 in respect of any Definitive Note or Coupon (other than payment in full against surrender of a Definitive Note or Coupon), the Definitive Note or Coupon in respect of which such payment is made shall, if the Trustee so requires, be produced to the Trustee or the Paying Agent by or through whom such payment is made and (except in the case of a NGN) the Trustee shall, in the case of part payment, enface or cause such Paying Agent to enface thereon a memorandum of the amount and date of payment on such Definitive Note or Coupon or, in the case of payment in full, shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation.

## **14. COVENANTS BY, AND REPRESENTATIONS AND WARRANTIES OF, THE SOCIETY**

14.1 The Society hereby covenants with the Trustee that, so long as any of the Notes remains outstanding, it shall:

- (a) at all times maintain an Agent and Paying Agents with specified offices in accordance with the Conditions and maintain at all times any other agents required by the Conditions;

- (b) at all times keep proper books of account, permit to the extent permitted by applicable law the Trustee and any persons appointed by the Trustee to whom the Society shall have no reasonable objection free access to such books of account at all reasonable times during normal working hours and procure that all Subsidiaries of the Society permit to the extent permitted by applicable law the Trustee and any persons appointed by the Trustee to whom the Society shall have no reasonable objection free access to the books of account of the Subsidiaries of the Society at all reasonable times;
- (c) give notice in writing to the Trustee of the occurrence of any Event of Default or Potential Event of Default immediately upon becoming aware thereof and without waiting for the Trustee to take any further action;
- (d) so far as permitted by applicable law, at all times give to the Trustee such other information as it shall reasonably require for the purpose of the discharge of the duties and discretions vested in it under these presents or by operation of law;
- (e) send to the Trustee four copies of every balance sheet, revenue and appropriation account, source and application of funds statement (if any), annual business statement, report or other notice, statement or circular issued generally to the members, stockholders or creditors generally of the Society in their respective capacities as such at, or as soon as practicable after, the time of the issue thereof;
- (f) so far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may in the opinion of the Trustee be necessary at any time or times to give effect to the terms and conditions of these presents;
- (g) in order to enable the Trustee to ascertain the amount of Notes of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Notes of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Trustee as soon as practicable after being so requested in writing by the Trustee a certificate in writing signed by (i) two Directors, (ii) one Director and the Secretary or an Authorised Signatory of the Society or (iii) any two Authorised Signatories of the Society setting out the total numbers and aggregate nominal amount of Notes of each Series which up to and including the date of such certificate have been purchased by or for the account of the Society or any of its Subsidiaries, the aggregate nominal amount of Notes of each Series which are held beneficially at such date by the Society or any of its Subsidiaries and the aggregate nominal amount of Notes of each Series purchased which have been cancelled;
- (h) send, or procure to be sent, to the Trustee for the Trustee's prior approval the form of every notice to be given to the Noteholders of each Series and, following the publication thereof, four copies of each such notice (such notice to be in a form agreed by the Trustee);
- (i) in the event of the unconditional payment to the Agent or the Trustee of any sum due in respect of any of the Notes of any Series or any of them or any of the Coupons being made after the due date for payment thereof, immediately give notice to the Noteholders of the relevant Series thereof that such payment has been made;
- (j) during such time as the Notes of any Series are listed on the Stock Exchange, at all times use all reasonable endeavours to maintain the listing of such Notes on the Stock Exchange or, if it is unable to do so having used all such reasonable endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly onerous, use all reasonable endeavours to obtain and maintain the quotation or listing of such Notes on such other stock exchange, listing authority and/or quotation system as it may (with the prior written approval of the Trustee) decide and procure that there will at all times be furnished to any stock exchange,

listing authority and/or quotation system on which the Notes of any Series are for the time being quoted or listed on the application of the Society such information as such stock exchange, listing authority and/or quotation system may require in accordance with its normal requirements or in accordance with any arrangements for the time being made with any such stock exchange, listing authority and/or quotation system;

- (k) observe and comply with its obligations, and use all reasonable endeavours to procure that the Paying Agents observe and comply with all their obligations, under the Agency Agreement and notify the Trustee immediately it becomes aware of any material breach or failure of any Paying Agent in relation to the Notes of any Series or the relevant Coupons;
- (l) oblige the Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for payment of the Notes of any Series or the relevant Coupons or all or any of them, receive unconditionally the full amount in the relevant currency of the moneys payable thereon on such due date;
- (m) give or procure that there be given to the relevant Noteholders not less than 30 days' prior notice of any appointment or removal of the Agent or any Paying Agent (other than the appointment of those listed in the Conditions) and not less than 14 days' prior notice of any change of the Agent's or any Paying Agent's specified office from that shown at the foot of the Conditions or that last notified to relevant Noteholders pursuant thereto (after having, in any such case other than a change of specified office within the same city, obtained the prior written approval of the Trustee thereto);
- (n) send to the Trustee, at the time of sending its annual audited balance sheet and profit and loss account and in any event not later than 14 days after the adoption and publication thereof and also within 14 days after any request by the Trustee, a certificate of the Society signed by two Authorised Signatories of the Society to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Society there did not exist, as at a date not more than five days prior to the date of the certificate nor had there existed at any time prior thereto since the date hereof or the date of the last such certificate (if any), any Event of Default or any Potential Event of Default or, if such an Event of Default or Potential Event of Default did then exist, specifying the same;
- (o) give prior notice to the Trustee of any proposed redemption pursuant to Condition 5.2, 5.3, 5.4 or 5.5 and, if it shall have given notice to the relevant Noteholders in accordance with the Conditions of its intention, duly proceed to redeem any relevant Notes accordingly;
- (p) give to the Trustee at the same time as sending to it the certificate referred to in paragraph (n) above and in any event not later than 180 days after the last day of each financial period of the Society, a certificate by two Authorised Signatories listing those Subsidiaries of the Society which as at such last day were Principal Subsidiaries of the Society for the purposes of Condition 10;
- (q) give to the Trustee, as soon as reasonably practicable after any transfer is made to any Subsidiary of the Society which thereby becomes a Principal Subsidiary, a certificate by two Authorised Signatories to such effect;
- (r) forthwith give the Trustee notice in writing of the coming into existence of any Security which would require any security to be given for the Notes pursuant to Condition 3;
- (s) use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg (as the case may be) issue(s) any record, certificate or other document requested by the Trustee under Clause 21(v) or otherwise as soon as practicable after such request; and

- (t) provide the Trustee with information that it is reasonably able to provide about the source and character for US federal tax purposes of any payment to be made by it pursuant to these presents so as to enable the Trustee to determine whether and in what amount the Trustee is obliged to make any withholding or deduction pursuant to the Code or otherwise imposed pursuant to FATCA Withholding.

14.2 The Society represents and warrants to the Trustee that:

- (a) the issue of the Notes and the borrowing thereby is within the power of the Society and its Directors and the proceeds of the Notes will be used for the general purposes of the Society;
- (b) the Society is authorised to borrow money under the Building Societies Act; and
- (c) the issue and borrowing will not cause any limit placed on the powers of the Society and its Directors, including but not confined to any limit imposed under Section 7 of the Building Societies Act, to be exceeded.

## **15. REMUNERATION OF THE TRUSTEE**

15.1 The Society shall (subject as hereinafter provided) pay to the Trustee in every year until the trusts hereof shall be finally wound up remuneration for its services as trustee at such rate as shall from time to time be agreed between the Society and the Trustee. Upon the issue of Notes of any Series the rate of remuneration in force immediately prior thereto shall be increased by such amount as shall be agreed between the Society and the Trustee, such increased remuneration to be calculated from such date as shall be agreed as aforesaid. The rate of remuneration in force from time to time may upon the final redemption of the whole of the Notes of any Series be reduced by such amount as shall be agreed between the Society and the Trustee, such reduced remuneration to be calculated from such date as shall be agreed as aforesaid. The said remuneration shall be deemed to accrue from day to day and shall be paid annually in arrear on such date in each year as may from time to time be agreed between the parties hereto. In the event that the Trustee gives notice that the Notes of any Series have become due and repayable by reason of an Event of Default, the Society agrees with the Trustee that it shall be entitled to be paid additional remuneration, which may be calculated at its normal hourly rates in force from time to time. In any other case or if the Trustee finds it expedient or necessary or being requested by the Issuer to undertake any duties which the Trustee and the Society agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, the Society shall pay such additional remuneration as shall be agreed between the Trustee and the Society and may be calculated using the Trustee's hourly rates currently in force from time to time. In the event of the Trustee and the Society failing to agree upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or failing to agree upon such additional remuneration or upon any increase or reduction in remuneration, any such matter shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Society or, failing such approval, nominated by the President for the time being of The Law Society (the expenses involved in such nomination and the fees of such investment bank or other person being payable by the Society) and the decision of any such investment bank shall be final and binding on the Society and the Trustee.

15.2 The Trustee shall not be entitled to remuneration in relation to the Notes of any particular Series in respect of any period after the date on which, all the Notes of the relevant Series outstanding having become due for redemption, the redemption moneys (including accrued interest thereon) have been paid to the Trustee or the Agent or otherwise duly provided for to the satisfaction of the Trustee unless, upon due presentation of any relevant Note or Coupon, payment of the moneys due in respect thereof is improperly withheld or refused, in which event remuneration shall commence again to accrue.

- 15.3 In addition to remuneration hereunder, the Society shall, on written request, pay all other costs, charges and expenses (including legal and travelling expenses) or liabilities which the Trustee may reasonably and properly incur in relation to the negotiation, preparation and execution of these presents and the exercise of the powers and the execution of the trusts vested in it by or pursuant to these presents.
- 15.4 The Society shall indemnify the Trustee in respect of all proceedings, claims and demands and all costs, charges, expenses, and liabilities to which it (or any person appointed by it or to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by these presents) may be or become liable or which may reasonably and properly be incurred by it (or any such person as aforesaid) in respect of any matter or thing done or omitted in anywise relating to these presents.
- 15.5 All sums payable by the Society under subclause 15.3 or 15.4 of this Clause 15 shall be payable on demand and (a) in the case of payments actually made by the Trustee prior to the demand, shall carry interest at the rate of the Trustee's cost of funding (as specified by the Trustee on making such demand) from the date of the same being demanded to the date of actual payment and (b) in all other cases, shall carry interest at such rate from the date 15 days after the date of the same being demanded or (where the demand specifies that payment by the Trustee will be made on an earlier date) from such earlier date (not being earlier than the date of such demand) to the date of actual payment. Any amounts payable pursuant to subclause 15.1 of this Clause 15 shall carry interest at the aforesaid rate from the due date thereof to the date of actual payment.
- 15.6 The Society shall in addition pay to the Trustee (if so required) an amount equal to the amount of any value added tax or similar tax charged or chargeable in respect of its remuneration hereunder.
- 15.7 Unless otherwise specifically stated in any discharge of these presents, the provisions of this Clause 15 shall continue in full force and effect notwithstanding such discharge.
- 15.8 The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of the Notes any costs, charges, expenses or liabilities incurred under these presents have been incurred or to allocate any such costs, charges, expenses or liabilities between the Notes of any Series.
- 15.9 All payments to be made by the Society to the Trustee under these presents shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Society shall pay such additional amount as will, after such deduction or withholding has been made, leave the Trustee with the full amount which would have been received by it had no such withholding or deduction been required.

## **16. MODIFICATION**

The Trustee may from time to time and at any time without any consent or sanction of the Noteholders or the Couponholders (or, as the case may be, the holders of the Notes or Coupons of any one or more Series) concur with the Society in making any modification (a) to these presents or the Conditions (other than the proviso to paragraph 6 of Schedule 3 or any provision of these presents or the Conditions referred to in that proviso) which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders (or as the case may be, the holders of Notes of the relevant Series or (b) to these presents or the Conditions to correct a manifest error or which is of a formal, minor or technical nature. In addition, the Trustee shall be obliged to concur with the Society in effecting any Benchmark Amendments or Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 4.4 without the consent of the Noteholders or Couponholders. Any such modification shall be binding on Noteholders and

Couponholders (or as the case may be, the holders of Notes and Coupons of the relevant Series) and, unless the Trustee otherwise agrees, the Society shall cause notice of such modification to be given to the Noteholders (or as the case may be, the holders of Notes of the relevant Series) as soon as practicable thereafter.

## **17. CANCELLATION OF NOTES AND COUPONS**

- 17.1 The Society shall procure that all Notes (a) redeemed or (b) purchased by or on behalf of the Society or any Subsidiary of the Society and (at the option of the Society or such Subsidiary) surrendered for cancellation or (c) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 16 (together in each case (in the case of Definitive Notes) with all unmatured Coupons attached thereto or delivered therewith) and all Coupons paid in accordance with the Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 16 shall forthwith be cancelled by or on behalf of the Society and a certificate stating (i) the aggregate nominal amount of Definitive Notes which have been redeemed, the aggregate amounts paid in respect thereof and the aggregate amounts in respect of Coupons which have been paid (ii) the serial numbers of such Definitive Notes (iii) the total number by maturity date of such Coupons (iv) the aggregate nominal amount of Notes represented by Global Notes which have been redeemed and the aggregate amounts paid in respect thereof (v) the serial numbers of those Definitive Notes (if any) which have been purchased by or on behalf of the Society or any Subsidiary of the Society and cancelled and the total number by maturity date of the Coupons attached thereto or surrendered therewith (vi) the aggregate nominal amount of Notes represented by Global Notes which have been purchased as aforesaid and cancelled and (vii) the aggregate nominal amount of Notes and the aggregate amount in respect of Coupons which have been so surrendered and replaced and the serial numbers of such Notes which are Definitive Notes and the total number by maturity date of such Coupons shall be given to the Trustee by or on behalf of the Society as soon as possible and in any event within four months after the date of such redemption, purchase, payment or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of repayment, purchase or replacement pro tanto of the Notes or payment of interest thereon respectively and of cancellation of the relevant Notes and Coupons.
- 17.2 The Society shall procure (a) that the Agent shall keep a full and complete record of all Notes and Coupons (other than the serial numbers of Coupons) and of their surrender, redemption or purchase and cancellation and of all replacement Notes or Coupons issued in substitution for mutilated, defaced, lost, stolen or destroyed Notes or Coupons, (b) that the Agent shall in respect of the Coupons of each maturity retain until the expiry of six years from the maturity date of such Coupons either all paid Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid and (c) the Society shall further procure that such record shall be made available to the Trustee at all reasonable times during normal working hours.
- 17.3 The Society shall procure that all certificates and records given or made pursuant to this Clause 17 shall make a distinction between Notes and Coupons of each separate Series.

## **18. NOTEHOLDERS TO BE TREATED AS HOLDING ALL COUPONS**

Wherever in these presents the Trustee is required or entitled to exercise a trust, power, authority or discretion by reference to the interests of the Noteholders or the Couponholders or any of the same, the Trustee shall assume that the Noteholders each hold all unpaid Coupons appertaining to the relevant Notes held by them respectively.

**19. NO NOTICE TO COUPONHOLDERS**

Neither the Society nor the Trustee shall be required to give any notice to the Couponholders for any purpose under these presents, and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of the Notes to which such Coupons appertain.

**20. FINANCIAL TRANSACTIONS BY TRUSTEE**

No Trustee and no director, officer or employee of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Society or any of the Society's Subsidiaries, whether directly or through any Subsidiary or associated company, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Society, any of the Society's Subsidiaries or any company in which the Society is interested, and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon or making payments in respect of the Notes or any other stock, shares, debenture stock, debentures or other securities of the Society, any of the Society's Subsidiaries or any company in which the Society is interested or any contract of banking or insurance with the Society or any of the Society's Subsidiaries and neither the Trustee nor any such director, officer or employee shall be accountable to the Noteholders or Couponholders or to the Society or any of the Society's Subsidiaries for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions, and the Trustee and any such director, officer or employee shall also be at liberty to retain the same without accounting therefor.

**21. PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACTS IN FAVOUR OF THE TRUSTEE**

By way of supplement to the Trustee Acts, it is expressly declared as follows:

- (a) the Trustee may in relation to these presents act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or firms or companies of the same or other expert in the United Kingdom or elsewhere and believed by the Trustee to be of good repute (whether obtained by the Trustee, the Society, any of the Society's Subsidiaries or any Paying Agent or otherwise howsoever) and shall not be responsible for any loss occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, fax or email and the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;
- (b) the Trustee may call for and shall be at liberty to accept a certificate signed by (i) any two Directors (ii) any one Director and the Secretary or any Authorised Signatory of the Society or (iii) any two Authorised Signatories of the Society as to any fact or matter within the knowledge of the Society as sufficient evidence thereof and a like certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient as sufficient evidence that it is expedient, and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing so to do;
- (c) the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by these presents or by operation of law have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, provided

it shall not have acted fraudulently, the Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof;

- (d) the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian these presents and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer;
- (e) the Trustee as between itself, the Noteholders and the Couponholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of these presents, and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, the Noteholders and the Couponholders;
- (f) the Trustee shall not be responsible for acting on any Extraordinary Resolution in writing or any Extraordinary or other resolution purporting to have been passed at any meeting of the Noteholders (or, as the case may be, the holders of Notes of any Series) in respect whereof minutes have been made and signed or any Extraordinary Resolution passed by way of electronic consents received through the relevant Clearing System(s) in accordance with these presents or any direction or request of the Noteholders even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing) that not all Noteholders has signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Noteholders or (in the case of an Extraordinary Resolution passed by electronic consents received through the relevant Clearing System(s)) it was not approved by the requisite number of Noteholders or that for any reason the resolution, direction or request was not valid or binding upon the Noteholders and/or the Couponholders (or, as the case may be, the holders of Notes or Coupons of any Series);
- (g) the Trustee may, in the conduct of the trust business, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such persons;
- (h) any trustee being a banker, lawyer, or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with these presents, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;
- (i) the Trustee shall not be responsible for the receipt or application by the Society of the proceeds of the issue of the Notes of any Series, the exchange of any Temporary Global

Note for a Permanent Global Note, the exchange of any Permanent Global Note for Definitive Notes or the delivery of any Notes to the persons entitled thereto;

- (j) the Trustee shall not be liable to the Society or any Noteholder or Couponholder by reason of having accepted as valid or not having rejected any Note or Coupon purporting to be such and subsequently found to be forged or not authentic;
- (k) the Trustee shall not (unless ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder or Couponholder any confidential, financial or other information made available to the Trustee by the Society or any of its Subsidiaries in connection with these presents, and no Noteholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information;
- (l) where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another, it shall (unless otherwise provided by these presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee at its absolute discretion but having regard to current rates of exchange, if available, and any rate, method and date so specified shall be binding on the Society, the Noteholders and the Couponholders;
- (m) the Trustee may determine whether or not a default in the performance by the Society of any obligation under the provisions of these presents or contained in the Notes or Coupons is capable of remedy and, if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Society, the Noteholders and the Couponholders;
- (n) any consent given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit;
- (o) in connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution permitted by the Conditions or the terms of these presents) the Trustee shall have regard to the interests of the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more 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 (or, as the case may be, individual holders of Notes or Coupons of the relevant one or more Series) resulting from their 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 Society or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition thereto, or in substitution therefor, pursuant to these presents;
- (p) the Trustee need not notify anyone of the execution of these presents or do anything to ascertain whether any Event of Default or Potential Event of Default has occurred and, until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such Event has occurred and that the Society is performing all its obligations under these presents, the Notes and the Coupons;
- (q) save as otherwise provided in these presents, the Trustee will have absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability,

cost, claim, action, demand, expenses or inconvenience which may result from their exercise or non-exercise;

- (r) in the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Notes are for the time being held by or on behalf of the Society or its Subsidiaries;
- (s) without prejudice to the provisions of paragraph 21(v) below, the Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic;
- (t) the Trustee may certify whether or not any of the events set out in paragraphs (b), (c) and (d) above (in relation to the Society or any Principal Subsidiary) and paragraphs (e) and (f) above (in relation to a Principal Subsidiary) of Condition 10 is in its opinion materially prejudicial to the interests of the holders of the Notes (other than Subordinated Notes) of any Series and any such certificate shall be conclusive and binding upon the Society and all of the holders of the Notes and Coupons of the relevant Series;
- (u) the Trustee may rely on certificates or reports from the Auditors and enter into engagement letters with the Auditors whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on the liability (whether monetary or otherwise) of the Auditors;
- (v) the Trustee may call for and shall rely on any records, certificate or other document of or to be issued by Euroclear or Clearstream, Luxembourg in relation to any determination of the principal amount of Notes represented by a NGN. Any such records, certificate or other document shall be conclusive and binding for all purposes. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such records, certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic;
- (w) no provision of these presents, the Notes, the Coupons, the Talons or the Conditions shall require the Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation; or (ii) cause it to expend or risk its own funds or otherwise incur any loss in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have grounds for believing that repayment of such funds or adequate indemnity and/or security and/or prefunding against such loss is not assured to it;
- (x) the Trustee shall be entitled to deduct any applicable FATCA Withholding Tax and shall have no obligation to gross-up any payment hereunder or to pay any additional amount as a result of such applicable FATCA Withholding Tax;
- (y) when determining whether an indemnity or any security is satisfactory to it, the Trustee shall be entitled to evaluate its risk in given circumstances by considering the worst-case scenario

and, for this purpose, it may take into account, without limitation, the potential costs of defending or commencing proceedings in England or elsewhere and the risk however remote, of any award of damages against it in England or elsewhere; and

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

PROVIDED NEVERTHELESS THAT none of the provisions of these presents shall in any case in which the Trustee has failed to show the degree of care and diligence required of it, having regard to the provisions of these presents conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default, breach of duty or breach of trust of which it may be guilty in relation to its duties under these presents.

## **22. TRUSTEE ENTITLED TO ASSUME DUE PERFORMANCE**

Except as herein otherwise expressly provided, the Trustee shall be and is hereby authorised to assume without enquiry, in the absence of knowledge or express notice to the contrary, that the Society is duly performing and observing all the covenants and provisions contained in these presents relating to the Society and on its part to be performed and observed and that no event has happened which with the lapse of time and/or upon the giving of notice and/or the issuing of a certificate would cause the Notes of any Series to become repayable or capable of being declared repayable.

## **23. WAIVER**

The Trustee may, without the consent of the Noteholders or the Couponholders and without prejudice to its right in respect of any further or other breach, from time to time and at any time, but only if and in so far as in its opinion the interests of Noteholders (or, as the case may be, the holders of the Notes of the relevant Series) will not be materially prejudiced thereby, authorise or waive, on such terms and subject to such conditions (if any) as to it shall seem fit, any proposed breach or breach of any of the covenants or provisions contained in these presents, the Notes or the Coupons (or, as the case may be, in the Notes or Coupons of any Series) or determine that any breach, condition, event or act which constitutes (or which, with the lapse of time and/or the giving of notice and/or the issuing of a certificate, would constitute), but for such determination, an Event of Default shall not be treated as such for the purposes of these presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred upon it by this Clause 23 in respect of the Notes of any Series in contravention of any express direction given by the holders of one-quarter in nominal amount of the Notes of the relevant Series then outstanding or by an Extraordinary Resolution of such Noteholders (but so that no such direction shall affect any authorisation, waiver or determination previously given or made).

## **24. POWER TO DELEGATE**

The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by these presents, act by responsible officers or a responsible officer for the time being of the Trustee, and the Trustee may also whenever it thinks it expedient in the interests of the Noteholders or of the holders of Notes of any one or more Series, whether by power of attorney or otherwise, delegate to any person or persons all or any of the trusts, powers, authorities and discretions vested in it by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustee may

think fit in the interests of the Noteholders or of the holders of Notes of the relevant Series and provided that if the Trustee shall have exercised reasonable care in the selection of such delegate, it shall not be bound to supervise the proceedings and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate. The Trustee shall give prompt notice to the Society of the appointment (and termination thereof) of any delegate as aforesaid and shall procure that any delegate shall also give prompt notice to the Society of any sub-delegate.

## **25. COMPETENCE OF A MAJORITY OF TRUSTEES**

Whenever there shall be more than two trustees hereof, the majority of such trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by these presents in the Trustee generally.

## **26. APPOINTMENT OF TRUSTEES**

26.1 The power of appointing new trustees shall be vested in the Society but a trustee so appointed must in the first place be approved by an Extraordinary Resolution. A trust corporation may be appointed sole trustee hereof but subject thereto there shall be at least two trustees hereof one at least of which shall be a trust corporation. Any appointment of a new trustee or new trustees hereof shall as soon as practicable thereafter be notified by the Society to the Agent and to the Noteholders. The Noteholders shall have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such removal.

26.2 Notwithstanding the provisions of subclause 26.1 of this Clause 26, the Trustee may (as attorney for the Society) upon giving prior notice to but without the consent of the Society or the Noteholders or Couponholders appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee either in respect of all of the Notes or in respect of Notes of any one or more Series (a) if the Trustee considers such appointment to be in the interests of the Noteholders (or, as the case may be, of the holders of the Notes of the relevant Series), (b) for the purposes of conforming to any legal requirement, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed or (c) where permitted under these presents so to do for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the Society. The Society hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of these presents be treated as costs, charges and expenses incurred by the Trustee.

## **27. RETIREMENT OF TRUSTEES**

Any trustee for the time being of these presents may retire at any time upon giving not less than three months' notice in writing to the Society without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. The Society covenants that, in the event of a Trustee (being a sole trustee or the

only trust corporation) giving notice under this Clause 27, it shall use all reasonable endeavours to procure a new trustee (being a trust corporation) to be appointed promptly.

## **28. POWERS OF THE TRUSTEE ARE ADDITIONAL**

The powers conferred by these presents upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Notes.

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents. Where there are any inconsistencies between the Trustee Acts and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act.

## **29. NOTICES**

29.1 Any notice or demand to the Society or the Trustee or any approval or certificate of the Trustee required to be given, made or served for any purpose hereof shall be given, made or served by sending the same by prepaid post (first class if inland, airmail if overseas), facsimile transmission, by delivering the same by hand or (where specified) by email as follows:

to the Society:                Nationwide House  
  Pipers Way  
  Swindon SN38 1NW

Facsimile No:                01793 733355  
Attention:                    The Divisional Director, Treasury  
Email:                         TreasuryFunding@nationwide.co.uk

to the Trustee:                Fifth Floor  
  100 Wood Street  
  London EC2V 7EX

Facsimile No:                020 7606 0643  
Email:                         Trust.Support@lawdeb.com  
Attention:                    The Manager, Commercial Trusts

or at such other address, email address or facsimile number as shall have been notified (in accordance with this Clause 29) by the party in question to the other party hereto for the purposes of this Clause 29.

29.2 In the absence of industrial action affecting the relevant parts of the postal service, any notice sent by post as provided in this Clause 29 shall be deemed to have been given, made or served when delivered.

29.3 Any notice sent by fax shall be deemed to have been given, made or served at the time of despatch.

29.4 Communications sent by email will take effect when sent except:

(a) in the case of any notice to the Trustee (including, without limitation, any notice or demand sent at any time after an Event of Default has occurred), which shall only be treated as having been received upon written confirmation of receipt from the Trustee (for the avoidance of doubt automatically generated "received" or "read" receipt shall not constitute written confirmation); or

- (b) in the case of any other notice, if a delivery failure notification is received by the sender within 24 hours of the time of sending.

The Trustee shall use its best endeavours to provide written confirmation in accordance with sub-Clause 29.4(a) within 48 hours of receipt. If the Trustee does not provide such written confirmation within 48 hours of receipt, the Issuer may forthwith send such notice (or demand) by post.

**30. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Trust Deed or any trust deed supplemental hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed or any trust deed supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**31. GOVERNING LAW**

These presents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

**IN WITNESS WHEREOF** this Trust Deed has been executed as a deed by the parties hereto and delivered on the day and year first above written.

## SCHEDULE 1

### TERMS AND CONDITIONS OF THE NOTES

*The following (save for paragraphs in italics, which are descriptive only and do not form part of the Terms and Conditions) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange, relevant authority or quotation system (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue. If not so permitted (where applicable) and agreed, each definitive Note will have endorsed upon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of Final Terms" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series of notes (the notes of such Series being hereinafter called the **Notes**, which expression shall mean (a) in relation to Notes represented by a global note (a **Global Note**), units equal to each Specified Denomination in the Specified Currency, (b) definitive Notes issued in exchange for a Global Note, and (c) any Global Note) constituted by a Trust Deed dated 17 April 1991 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between Nationwide Building Society (the **Issuer**) and The Law Debenture Trust Corporation p.l.c. (the **Trustee**, which expression shall include any successor as trustee).

The Notes are issued with the benefit of an Amended and Restated Agency Agreement dated 30 October 2020 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Citibank, N.A., London Branch, as issuing agent, principal paying agent and agent bank (the **Agent**, which expression shall include any successor as agent), the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and the Trustee.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms endorsed upon or attached to this Note which supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note.

References herein to **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system) and Series means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a

single series, and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at 30 October 2020 at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office of each of the Agent and the other Paying Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If this Note is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable from the principal office of the Issuer and of the Agent by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity.

The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are binding on them. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. Form, Denomination and Transfer

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**, which term will, unless the context otherwise requires, include any successor to such currency under applicable law) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Reset Note, a Floating Rate Note or a Zero Coupon Note or any appropriate combination thereof, depending upon the Interest Basis shown in the applicable Final Terms.

This Note is also a Senior Preferred Note, a Deposit Note, a Senior Non-Preferred Note or a Subordinated Note, as indicated in the applicable Final Terms.

If this Note is a definitive Note, it is issued with Coupons and, if applicable, Talons attached, unless it is a Zero Coupon Note in which case references to interest and Coupons in these Terms and Conditions are not applicable.

Subject to the provisions relating to Global Notes set out below, title to the Notes and the Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (including any form of statement or printout of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding) as evidence as

to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the Global Note in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) (and the expressions **Noteholder**, **holder of Notes** and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## **2. Status, Ranking and Subordination**

### **2.1 Status of Senior Preferred Notes and Deposit Notes**

The Senior Preferred Notes and the Deposit Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank (subject to the provisions of Condition 3) *pari passu* and without any preference among themselves, junior to obligations required to be preferred by law (which includes certain member share accounts which are given preferential status by law) and at least equally with all other Ordinary Non-Preferential Debts of the Issuer.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), for so long as they are not secured pursuant to the provisions of Condition 3, the Senior Preferred Notes, the Deposit Notes and any relative Coupons form part of the class of Ordinary Non-Preferential Debts of the Issuer under the Insolvency Act (and any other Ranking Legislation).

### **2.2 Status and Ranking of Senior Non-Preferred Notes**

#### *(a) Status and Ranking*

*The Senior Non-Preferred Notes may only be issued on terms such that they (A) have an original contractual maturity of at least one year and (B) are not derivatives and contain no embedded derivatives for the purposes of Section 387A(3)(b)(ii) of the Insolvency Act (and the relevant section of any other Ranking Legislation).*

The Senior Non-Preferred Notes and any relative Coupons are direct and unsecured obligations of the Issuer and, subject to the Insolvency Act (and any other Ranking Legislation), constitute Secondary Non-Preferential Debts under the Insolvency Act (and any other Ranking Legislation), ranking *pari passu* and without any preference among themselves.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), claims in respect of principal, interest and any other amount (including, without limitation, any damages awarded for breach of the Issuer's obligations) in respect of the Senior Non-Preferred Notes and any relative Coupons will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), rank as provided for Secondary Non-Preferential Debts in the Insolvency Act (and any other Ranking Legislation), and therefore:

- (i) junior in right of payment to all Senior Claims;
- (ii) *pari passu* with all other Senior Non-Preferred Claims; and
- (iii) in priority to all Subordinated Claims.

(b) *Waiver of Set-off*

Subject to applicable law, no holder of a Senior Non-Preferred Note or any relative Coupon may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Non-Preferred Notes or any relative Coupons, and each Noteholder and Couponholder shall, by virtue of being the holder of (or the holder of any interest in) any such Senior Non-Preferred Note or relative Coupon (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of a Senior Non-Preferred Note or relative Coupon against the Issuer is discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of winding up or dissolution of the Issuer, the liquidator or other insolvency official of the Issuer, and accordingly such discharge will be deemed not to have taken place.

### **2.3 Status and Subordination of Subordinated Notes**

(a) *Status and Subordination*

The Subordinated Notes and any relative Coupons are direct and unsecured obligations of the Issuer, subordinated as described below, and rank *pari passu* and without any preference among themselves.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), the Subordinated Notes form part of the class of Tertiary Non-Preferential Debts under the Insolvency Act (and any other Ranking Legislation), and claims in respect of principal, interest and any other amount (including, without limitation, any damages awarded for breach of the Issuer's obligations) in respect of the Subordinated Notes and any relative Coupons will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution):

- (i) be subordinated in right of payment in the manner provided in the Insolvency Act (and any other Ranking Legislation) and the Trust Deed to (x) all Senior Claims, (y) all Senior Non-Preferred Claims and (z) any Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Subordinated Notes;
- (ii) rank at least *pari passu* with claims in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital; and
- (iii) rank in priority to claims in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Additional Tier 1 Capital or CET 1 Capital (including the Issuer's core capital deferred shares) and in priority to any other claims (including, without limitation, claims in respect of the Issuer's permanent interest bearing shares) which rank, or are expressed to rank, junior to claims in respect of the Subordinated Notes.

(b) *Waiver of Set-off*

Subject to applicable law, no holder of a Subordinated Note or any relative Coupon may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes or any relative Coupons, and each Noteholder and Couponholder shall, by virtue of being the holder of (or the holder of any interest in) any such Subordinated Note or Coupon (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of a Subordinated Note or relative Coupon against the Issuer is discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of winding up or dissolution of the Issuer, the liquidator or other insolvency official of the Issuer and accordingly such discharge will be deemed not to have taken place.

## 2.4 Certain definitions

As used in these Terms and Conditions:

**deferred share investments** has the meaning ascribed thereto in the rules of the Issuer (and includes the Issuer's permanent interest bearing shares and core capital deferred shares);

**Excluded Dissolution** means each of (i) a winding up or dissolution of the Issuer for the purpose of a reconstruction, union, transfer, merger or amalgamation or the substitution in place of the Issuer of a successor in business the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, and (ii) a dissolution of the Issuer following, or in connection with, a Permitted Reorganisation whereby the Successor Entity is substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons;

**Hierarchy Order** means The Banks and Building Societies (Priorities on Insolvency) Order 2018, as amended or superseded from time to time;

**Insolvency Act** means the Insolvency Act 1986, as amended or superseded from time to time (including by the Hierarchy Order);

**investing members** has the meaning ascribed thereto in the rules of the Issuer;

**Ordinary Non-Preferential Debts** means 'ordinary non-preferential debts' as defined in Section 387A(3)(a) of the Insolvency Act (or, as the case may be, in the relevant section of any other Ranking Legislation);

**Ranking Legislation** means the Insolvency Act, the Hierarchy Order and, if and to the extent applicable to the Issuer, any other law or regulation which is amended by the Hierarchy Order;

**Regulatory Capital Requirements** means, at any time, any requirement contained in the law, regulations, requirements, guidelines and policies then in effect relating to capital adequacy and prudential supervision and applicable to the Issuer, including (without limitation to the generality of the foregoing), those applicable laws, regulations, requirements, guidelines and policies relating to capital adequacy and prudential supervision then in effect of the United Kingdom or the relevant Supervisory Authority and/or any applicable regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union;

**Secondary Non-Preferential Debts** means 'secondary non-preferential debts' as defined in Section 387A(3)(b) of the Insolvency Act (or, as the case may be, in the relevant section of any other Ranking Legislation);

**Senior Claims** means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are:

- (i) claims of depositors of the Issuer;
- (ii) claims of investing members of the Issuer as regards the principal and interest due on share investments other than deferred share investments; and
- (iii) claims of creditors in respect of Ordinary Non-Preferential Debts of the Issuer and all other obligations of the Issuer which are preferred by law to Secondary Non-Preferential Debts;

**Senior Non-Preferred Claims** means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims of creditors in respect of Secondary Non-Preferential Debts of the Issuer;

**Subordinated Claims** means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims in respect of Tertiary Non-Preferential Debts of the Issuer, including (without limitation) claims of creditors in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital, Additional Tier 1 Capital or CET1 Capital (including the Issuer's core capital deferred shares) and claims in respect of the Issuer's permanent interest bearing shares;

**Supervisory Authority** means, from time to time, the Bank of England acting as the Prudential Regulation Authority through its Prudential Regulation Committee or such other authority having for the time being primary supervisory authority and/or responsibility with respect to prudential or resolution matters concerning the Issuer and/or its group, as may be relevant in the context;

**Tertiary Non-Preferential Debts** means 'tertiary non-preferential debts' as defined in Section 387A(3)(c) of the Insolvency Act (or, as the case may be, in the relevant section of any other Ranking Legislation); and

**Tier 1 Capital, CET1 Capital, Additional Tier 1 Capital and Tier 2 Capital** have the respective meanings given thereto (or to a successor or equivalent term) in the Regulatory Capital Requirements.

### 3. Negative Pledge

This Condition 3 does not apply to Senior Non-Preferred Notes or Subordinated Notes.

So long as any of the Senior Preferred Notes or, as the case may be, Deposit Notes remains outstanding the Issuer will not, and will not suffer or permit any Subsidiary of the Issuer to, create or have outstanding any mortgage, lien (not being a lien arising by operation of law), pledge or other security interest upon the whole or any part of its undertaking or assets, present or future, (**Security**) to secure any Loan Stock of the Issuer or such Subsidiary, respectively, or any obligation of the Issuer or of any Subsidiary of the Issuer under any guarantee of or indemnity in respect of Loan Stock of any other person, without at the same time or prior thereto securing the Notes and the Coupons (other than Senior Non-Preferred Notes, Subordinated Notes and any relative Coupons) (the **Protected Notes and Coupons**) equally and rateably therewith to the satisfaction of the Trustee or providing such other security for the Protected Notes and Coupons which the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or which shall be approved by an Extraordinary Resolution of the Noteholders, provided that the Issuer or any Subsidiary of the Issuer may create or have outstanding Security with respect to Loan Stock (without the obligation to secure the Protected Notes and Coupons as aforesaid) if at the date of the creation thereof the Issuer and its Subsidiaries have and thereafter maintain free and clear of Security assets the fair market value of which (calculated on a consolidated basis) is at least equal to the aggregate principal amount of all Loan Stock which is not secured by any such Security. **Loan Stock** is defined in the Trust Deed to mean indebtedness for the time being outstanding which is in the form of or represented or evidenced by bonds, notes, debentures, loan stock or other similar securities.

### 4. Interest

#### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

If “*Business Day Convention—Adjusted*” is specified in the applicable Final Terms, (a) any Fixed Interest Date otherwise falling on a day which is not a Business Day (as defined in Condition 4.2 below) will be postponed or brought forward (as applicable) in accordance with the Business Day Convention (as described in Condition 4.2(a)) set out in the applicable Final Terms which, for the avoidance of doubt, shall not be the Floating Rate Convention and (b) the amount of interest payable on a Fixed Interest Date will be the amount accrued during the Fixed Interest Period ending immediately prior to such Fixed Interest Date, and the provisions of Condition 4.2(d) (excluding the determination of the Rate of Interest) and Condition 4.2(f) (excluding the notification of the Rate of Interest) shall apply, *mutatis mutandis*, as though references therein (and, if applicable, in the description of the relevant Business Day Convention (as set out in Condition 4.2(a)) to (A) “Floating Rate Notes” were to “Fixed Rate Notes”; (B) “Interest Amounts” were to amounts of interest payable in respect of Fixed Rate Notes; (C) “Interest Payment Date” were to “Fixed Interest Date”; and (D) “Interest Period” were to “Fixed Interest Period”.

If “*Business Day Convention—Non-Adjusted*” is specified in the applicable Final Terms, any Fixed Interest Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the applicable Final Terms (as described below) which, for the avoidance of doubt, shall not be the Floating Rate Convention but there will be no corresponding adjustment of the amount of interest payable on such Fixed Interest Date.

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

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

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

In this Condition, **Fixed Interest Period** means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

## **4.2 Interest on Floating Rate Notes**

### **(a) Interest Payment Dates**

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (i) the Interest Payment Date(s) in each year (the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, each an **Interest Period**); or
- (ii) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an Interest Payment Date) which falls the number of months or other period specified as the Interest Period

in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If any Interest Payment Date which is specified in the applicable Final Terms to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (A) in any case where Interest Periods are specified in accordance with Condition 4.2(a)(ii) above, the **Floating Rate** Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date occurred; or
- (B) the **Following Business Day** Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the **Modified Following Business Day** Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the **Preceding Business Day** Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (E) the **Modified Preceding Business Day** Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be postponed to the next day which is a Business Day.

In this Condition, **Business Day** means:

- I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- II. if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- III. either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (b) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

In these Terms and Conditions:

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

**TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(b) **Rate of Interest**

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

(i) **ISDA Determination**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purposes of this Condition 4.2(b)(i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as ISDA Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**)) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is the period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms,

provided that, if no Rate of Interest can be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be (1) if the Calculation Agent so elects, determined by the Calculation Agent in good faith in its sole and absolute discretion and in consultation with the Issuer (though applying the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest, if any, applicable to the relevant Interest Accrual Period), failing which (2) the Rate of Interest determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period) or, if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period).

For the purpose of this Condition 4.2(b)(i), (I) **Floating Rate, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions; (II) **ISDA Calculation Agent** has the meaning given to the term 'Calculation Agent' in the ISDA Definitions; and (III) the definition of **Banking Day** in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line the word "general".

(ii) **Screen Rate Determination – Term Rate**

This Condition 4.2(b)(ii) applies where the applicable Final Terms specifies both “*Screen Rate Determination*” and “*Term Rate*” to be ‘Applicable’.

- (A) The Rate of Interest for each Interest Period will, subject to Condition 4.4 and as provided below, be either:
- I. the offered quotation (if there is only one quotation on the Relevant Screen Page); or
  - II. the arithmetic mean (rounded upwards if necessary to the nearest 0.0001 per cent.) of the offered quotations,

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

- (B) If the Relevant Screen Page is not available or if sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Calculation Agent shall, if applicable, request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate as at approximately 11.00 a.m. (London time, if the Reference Rate is LIBOR, or Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Final Terms) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations (excluding, if four or more of the Reference Banks provide the Calculation Agent with such quotations and the offered quotations of all such Reference Banks are not the same, the highest and lowest quotations and, if the highest quotation and/or the lowest quotation applies in respect of more than one such Reference Bank, excluding such highest and/or lowest quotation in respect of one such Reference Bank) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.
- (C) If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being either:
- (i) the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, which such banks were offered, at approximately 11.00 a.m. (London time, if the Reference Rate is LIBOR, or Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Final Terms) on the relevant Interest Determination Date (or if such date is not a Business Day, on the immediately

preceding Business Day), deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre for the relevant Reference Rate, in each case plus or minus (as indicated in the applicable Final Terms) the Margin (if any); or

- (ii) in the event that the Calculation Agent can determine no such arithmetic mean, the lowest lending rate for lending amounts in the Specified Currency for a period equal to that which would have been used for the Reference Rate at which at approximately 11.00 a.m. (London time, if the Reference Rate is LIBOR, or Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Final Terms) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre, in each case plus or minus (as indicated in the applicable Final Terms) the Margin (if any),

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

- I. that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or;
- II. if there is no such preceding Interest Determination Date, the initial Rate of Interest (but substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Period from that which applied to the initial Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that initial Interest Period) or, in the case of Notes with an Interest Basis that converts from a Fixed Rate to a Floating Rate, the Fixed Rate of Interest applicable to such Notes immediately prior to conversion of the Interest Basis.

**Reference Banks** means, in the context of Condition 4.2(b)(ii)(A) (I), those banks whose offered rates were used to determine the offered quotation referred to in such Condition when such offered quotation last appeared on the Relevant Screen Page and, in the context of Condition 4.2(b)(ii)(A) (II), those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(iii) **Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Non-Index Determination**

This Condition 4.2(b)(iii) applies where the applicable Final Terms specifies: (1) “Screen Rate Determination” and “Overnight Rate” to be ‘Applicable’; (2) “Compounded Daily SONIA” as the Reference Rate; and (3) “Index Determination” to be ‘Not Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

**Compounded Daily SONIA** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

- d** is the number of calendar days in:
- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
  - (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;
- D** is the number specified as such in the applicable Final Terms (or, if no such number is specified, 365);
- d<sub>o</sub>** means:
- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days in the relevant Interest Accrual Period; or
  - (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days in the relevant Observation Period;
- i** is a series of whole numbers from one to “d<sub>o</sub>”, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:
- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

$n_i$  for any London Banking Day “ $i$ ”, means the number of calendar days from (and including) such London Banking Day “ $i$ ” up to (but excluding) the following London Banking Day;

**Observation Period** means the period from (and including) the date falling “ $p$ ” London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “ $p$ ” London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

$p$  means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five London Banking Days); or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five London Banking Days);

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

**SONIA <sub>$i$</sub>**  means the SONIA reference rate for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the London Banking Day falling “ $p$ ” London Banking Days prior to the relevant London Banking Day “ $i$ ”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant London Banking Day “ $i$ ”.

- (B) Subject to Condition 4.4, if, where any Rate of Interest is to be calculated pursuant to Condition 4.2(b)(iii)(A) above, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, such SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be the rate determined by the Calculation Agent as:

- I. the sum of (i) the Bank of England’s Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- II. if the Bank Rate under (I)(i) above is not available at the relevant time, either (A) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (I) above,

and, in each case, references to “SONIA reference rate” in Condition 4.2(b)(iii)(A) above shall be construed accordingly.

- (C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(iii), and without prejudice to Condition 4.4, the Rate of Interest shall be:
  - (i) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or
  - (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Calculation Agent.

(iv) ***Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Index Determination***

This Condition 4.2(b)(iv) applies where the applicable Final Terms specifies: (1) “*Screen Rate Determination*” and “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily SONIA*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

**Compounded Daily SONIA Rate** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and

rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Final Terms (the **SONIA Compounded Index**) and in accordance with the following formula:

$$\text{Compounded Daily SONIA Rate} = \left( \frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

where:

**d** is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

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

**Relevant Number** is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

**SONIA Compounded Index<sub>Start</sub>** means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Accrual Period; and

**SONIA Compounded Index<sub>End</sub>** means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period).

(B) If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Accrual Period for which the SONIA Compounded Index is not available shall be “Compounded Daily SONIA” determined in accordance with Condition 4.2(b)(iii) above as if “*Index Determination*” were specified in the applicable Final Terms as being ‘Not Applicable’, and for these purposes: (i) the “*Observation Method*” shall be deemed to be “*Observation Shift*” and (ii) the “*Observation Shift Period*” shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the applicable Final Terms.

(v) ***Screen Rate Determination – Overnight Rate – SOFR – Non-Index Determination***

This Condition 4.2(b)(v) applies where the applicable Final Terms specifies: (1) “*Screen Rate Determination*” and “*Overnight Rate*” to be ‘Applicable’; (2) either “*Compounded Daily SOFR*” or

“*Weighted Average SOFR*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

Where the applicable Final Terms specifies the Reference Rate to be “*Compounded Daily SOFR*”, the provisions of paragraph (A) below of this Condition 4.2(b)(v) apply.

Where the applicable Final Terms specifies the Reference Rate to be “*Weighted Average SOFR*”, the provisions of paragraph (B) below of this Condition 4.2(b)(v) apply.

(A) *Compounded Daily SOFR*

Where this paragraph (A) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

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

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

where:

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

- (i) where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

**D** is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

**d<sub>o</sub>** means:

- (i) where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Observation Period;

**i** is a series of whole numbers from one to “d<sub>o</sub>”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

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

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

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

**$p$**  means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days);
- (ii) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, zero U.S. Government Securities Business Days; or
- (iii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days);

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

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

**SOFR<sub>i</sub>** means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling “ $p$ ” U.S.

Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”;

- (ii) where “Lock-out” is specified as the Observation Method in the applicable Final Terms:
  - (I) in respect of each U.S. Government Securities Business Day “i” that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or
  - (II) in respect of each U.S. Government Securities Business Day “i” that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or
- (iii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day “i”; and

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

(B) *Weighted Average SOFR*

Where this paragraph (B) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be the Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards), where:

**Weighted Average SOFR** means:

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

Period will be deemed to be the SOFR in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall, subject to the proviso above, be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day.

Defined terms used in this paragraph (B) and not otherwise defined herein have the meanings given to them in paragraph (A) above of this Condition 4.2(b)(v).

(C) *SOFR Unavailable*

Subject to Condition 4.4, if, where any Rate of Interest is to be calculated pursuant to this Condition 4.2(b)(v), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(v) but without prejudice to Condition 4.4, the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 4.2(b)(iii)(C).

(vi) **Screen Rate Determination – Overnight Rate - SOFR - Index Determination**

This Condition 4.2(b)(vi) applies where the applicable Final Terms specifies: (1) “Screen Rate Determination” and “Overnight Rate” to be ‘Applicable’; (2) “Compounded Daily SOFR” as the Reference Rate; and (2) “Index Determination” to be ‘Applicable’.

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

**Compounded SOFR** means, with respect to an Interest Accrual Period, the rate (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent in accordance with the following formula:

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

where:

$d_c$  is the number of calendar days from (and including) the day in relation to which SOFR Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SOFR Index<sub>End</sub> is determined;

**Relevant Number** is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

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

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

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

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

**SOFR Index<sub>Start</sub>**, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

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

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

- (B) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be "Compounded Daily SOFR" determined in accordance with Condition 4.2(b)(v) above as if "*Index Determination*" were specified in the applicable Final Terms as being 'Not Applicable', and for these purposes: (i) the "*Observation Method*" shall be deemed to be "*Observation Shift*" and (ii) the "*Observation Shift Period*" shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

(vii) ***Screen Rate Determination – Overnight Rate - Compounded Daily €STR – Non-Index Determination***

This Condition 4.2(b)(vii) applies where the applicable Final Terms specifies: (1) "*Screen Rate Determination*" and "*Overnight Rate*" to be 'Applicable'; (2) "*Compounded Daily €STR*" as the Reference Rate; and (3) "*Index Determination*" to be 'Not Applicable'.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

**Compounded Daily €STR** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

the **€STR reference rate**, in respect of any TARGET Business Day (**TBD<sub>x</sub>**), is a reference rate equal to the daily euro short-term rate (**€STR**) for such TBD<sub>x</sub> as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following TBD<sub>x</sub> (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

**€STR<sub>i</sub>** means the €STR reference rate for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the TARGET Business Day falling “*p*” TARGET Business Days prior to the relevant TARGET Business Day “*i*”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant TARGET Business Day “*i*”.

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

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

**D** is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

**d<sub>o</sub>** means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Observation Period;

**i** is a series of whole numbers from one to “*d<sub>o</sub>*”, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

***n<sub>i</sub>*** for any TARGET Business Day “*i*”, means the number of calendar days from (and including) such TARGET Business Day “*i*” up to (but excluding) the following TARGET Business Day;

**Observation Period** means the period from (and including) the date falling “*p*” TARGET Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “*p*” TARGET Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

***p*** means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five TARGET Business Days); or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five TARGET Business Days); and

**TARGET Business Day** means any day on which the TARGET2 System is open.

- (B) Subject to Condition 4.4, if, where any Rate of Interest is to be calculated pursuant to Condition 4.2(b)(vii)(A) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(vii) but without prejudice to Condition 4.4, the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 4.2(b)(iii)(C).

(viii) ***Interest Accrual Period***

As used herein, an **Interest Accrual Period** means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 10 or Condition 11 (as applicable), shall be the date on which such Notes become due and payable).

(ix) ***Determination of Rate of Interest following acceleration***

If the relevant Series of Notes becomes due and payable in accordance with Condition 10 or Condition 11 (as applicable), the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 4.5 and the Trust Deed.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period and if, but for this Condition 4.2(c), the Rate of Interest determined for such Interest Period (or any Interest Accrual Period falling within such Interest Period) would be less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period and if, but for this Condition 4.2(c), the Rate of Interest for such Interest Period (or any Interest Accrual Period falling within such Interest Period) would be greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amount**

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (or other Interest Accrual Period).

The Calculation Agent will calculate the amount of interest (each an **Interest Amount**) for the relevant Interest Period (or other Interest Accrual Period). Each Interest Amount shall be calculated by applying the Rate of Interest to:

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

and, in each case, multiplying such sum by the Day Count Fraction specified in the applicable Final Terms. The resultant figure will be rounded as follows (or otherwise in accordance with applicable market convention):

- (i) 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);
- (ii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen; and
- (iii) 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.

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

In this Condition 4.2, **Calculation Agent** means the Agent or such other party identified as the Calculation Agent in the applicable Final Terms.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as “Applicable” in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as “Applicable” in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as “Applicable” in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period; *provided however* that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable, with a view to such Independent Adviser determining such rate at such time and by reference to such sources as it determines appropriate for the purposes of the calculation of the Rate of Interest. The Independent Adviser shall instruct the Calculation Agent as to such rate. The Independent Adviser will consult with the Issuer with respect to such determination.

If, notwithstanding the use of reasonable endeavours, the Issuer is unable to appoint an Independent Adviser, or if an Independent Adviser is appointed by the Issuer but fails to make any relevant determination specified to be made by it under this Condition 4.2(e) prior to the relevant Interest Determination Date, the Issuer itself (acting in good faith and in a commercially reasonable manner) shall be entitled to determine the Rate of Interest.

An Independent Adviser appointed pursuant to this Condition 4.2(e) shall act in good faith and (in the absence of bad faith or fraud) neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Agents or the holders of any Notes or Coupons for any determination made by it pursuant to this Condition 4.2(e).

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

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

This Condition 4.2(b)(ii) applies where the applicable Final Terms specifies both “*Screen Rate Determination*” and “*Term Rate*” to be ‘Applicable’.

(A) Except where the applicable Final Terms specifies both “*Screen Rate Determination*” and “*Overnight Rate*” to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee and to any listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4.2(a) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will promptly be notified to each listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 18.

(B) Where the applicable Final Terms specifies both “*Screen Rate Determination*” and “*Overnight Rate*” to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be

notified to the Trustee and to any listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the second Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the relevant Interest Accrual Period. Any such amendment or alternative arrangements will promptly be notified to each listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 18.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

### 4.3 Interest on Reset Notes

(a) **Rates of Interest and Interest Payment Dates**

Each Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date specified in the applicable Final Terms to (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 to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any, or otherwise the Maturity Date), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any, or otherwise the Maturity Date) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) payable, in each case, in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

The Rate of Interest and the amount of interest (the **Interest Amount**) payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 4.1 and, for such purposes, references in Condition 4.1 to “Fixed Rate Notes” and “Fixed Interest Date” shall be deemed to be to “Reset Notes” and “Interest Payment Date”, respectively, and Condition 4.1 shall be construed accordingly.

In this Condition 4.3:

**Calculation Agent** means the Agent or such other party identified as the Calculation Agent in the applicable Final Terms;

**CMT Rate** means (subject to Condition 4.4, if applicable), in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate determined by the Calculation Agent, and expressed as a percentage, equal to:

- (i) if the Reuters T7051 Page is specified in the applicable Final Terms as the Designated CMT Reuters Page:
  - (a) the yield for United States Treasury securities at “constant maturity” having the Designated CMT Maturity Index specified in the applicable Final Terms as published in H.15 under the caption “Treasury Constant Maturities”, as the yield is displayed on Reuters (or any successor service) on page FRBCMT (or any other page as may replace the specified page on that service or successor service) (**T7051 Page**), on such Reset Determination Date; or
  - (b) if the rate referred to in paragraph (a) does not so appear on the T7051 Page by 4:00 p.m. (New York City time) on the relevant Reset Determination Date, the percentage equal to the yield for United States Treasury securities at “constant maturity” having the particular Designated CMT Maturity Index and for such Reset Determination Date as published in H.15 under the caption “Treasury Constant Maturities”; or
  - (c) if the rate referred to in paragraph (b) does not so appear in H.15 by 4:30 p.m. (New York City time) on the relevant Reset Determination Date, the rate on such Reset Determination Date for the period of the particular Designated CMT Maturity Index as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15; or
  - (d) if the rate referred to in paragraph (c) is not so published, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m. (New York City time) on that Reset Determination Date of three leading primary United States government securities dealers in The City of New York (which may include the agents or their affiliates) (each, a **Reference Dealer**), selected by the Calculation Agent (after consultation with the Issuer) from five Reference Dealers so selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time; or
  - (e) if fewer than five but more than two of the prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated; or
  - (f) if fewer than three prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m. (New York City time) on that Reset Determination Date of three Reference Dealers selected by the Calculation Agent (after consultation with the Issuer) from five Reference Dealers so selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity

- greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time; or
- (g) if fewer than five but more than two prices referred to in paragraph (f) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated; or
  - (h) if fewer than three prices referred to in paragraph (f) are provided as requested, the CMT Rate determined as at the previous Reset Determination Date (or, if there is no previous Reset Determination Date, the rate determined by subtracting the First Margin from the Initial Rate of Interest); or
- (ii) if the Reuters Page T7052 is specified in the applicable Final Terms as the Designated CMT Reuters Page:
- (a) the percentage equal to the one-week average yield for United States Treasury securities at “constant maturity” having the Designated CMT Maturity Index specified in the applicable Final Terms as published in H.15 under the caption “Week Ending” and opposite the caption “Treasury Constant Maturities”, as the yield is displayed on Reuters (or any successor service) on page FEDCMT (or any other page as may replace the specified page on that service or any successor service) (**T7052 Page**), for the week preceding the week in which such Reset Determination Date falls; or
  - (b) if the rate referred to in paragraph (a) does not so appear on the T7052 Page, the percentage equal to the one-week average yield for United States Treasury securities at “constant maturity” having the particular Designated CMT Maturity Index and for the week preceding such Reset Determination Date as published in H.15 under the caption “Week Ending” and opposite the caption “Treasury Constant Maturities”; or
  - (c) if the rate referred to in paragraph (b) does not so appear in H.15, the one-week average yield for United States Treasury securities at “constant maturity” having the particular Designated CMT Maturity Index as otherwise announced by the Federal Reserve Bank of New York for the week preceding the week in which such Reset Determination Date falls; or
  - (d) if the rate referred to in paragraph (c) is not so published, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m. (New York City time) on that Reset Determination Date of three Reference Dealers (as defined above) selected by the Calculation Agent (after consultation with the Issuer) from five Reference Dealers so selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time; or
  - (e) if fewer than five but more than two of the prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated; or
  - (f) if fewer than three prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30

p.m. (New York City time) on that Reset Determination Date of three Reference Dealers selected by the Calculation Agent (after consultation with the Issuer) from five Reference Dealers so selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at the time; or

- (g) if fewer than five but more than two prices referred to in paragraph (f) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest or the lowest of the quotations will be eliminated; or
- (h) if fewer than three prices referred to in paragraph (f) are provided as requested, the CMT Rate determined as at the previous Reset Determination Date (or, if there is no previous Reset Determination Date, the rate determined by subtracting the First Margin from the Initial Rate of Interest),

and, in each case, if two United States Treasury securities with an original maturity greater than the Designated CMT Maturity Index specified in the applicable Final Terms have remaining terms to maturity equally close to the particular Designated CMT Maturity Index, the quotes for the United States Treasury security with the shorter original remaining term to maturity will be used;

**Designated CMT Maturity Index** means the original period to maturity of the U.S. Treasury securities (being 1, 2, 3, 5, 7, 10, 20 or 30 years or such other period) specified in the applicable Final Terms with respect to which the CMT Rate will be calculated;

**First Margin** means the margin specified as such in the applicable Final Terms;

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

**First Reset Period** means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

**First Reset Rate of Interest** means, in respect of the First Reset Period and subject (if applicable) to Conditions 4.3(b) and 4.4, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted (if the Reference Rate is either Mid-Swaps or the Reference Bond Yield), if not already on the same basis, from a basis equivalent to the Fixed Leg Swap Duration specified in the applicable Final Terms or the Reference Bond Yield, as the case may be, to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the First Margin;

**Fixed Leg Swap Duration** has the meaning specified in the applicable Final Terms;

**Floating Leg Swap Duration** has the meaning specified in the applicable Final Terms;

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

**Initial Rate of Interest** has the meaning specified in the applicable Final Terms;

**Mid-Market Swap Rate** means, subject to Conditions 4.3(b) and (if applicable) 4.4, for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Duration (calculated on the basis of the Day Count Fraction as specified in the applicable Final Terms 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 Floating Leg Swap Duration (calculated on the basis of the Day Count Fraction as specified in the applicable Final Terms 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 (subject to Condition 4.4, if applicable) EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro;

**Mid-Swap Rate** means, in relation to a Reset Determination Date and subject to Conditions 4.3(b) and (if applicable) 4.4, either:

(i) if “*Single Mid-Swap Rate*” is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

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

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or

(ii) if “*Mean Mid-Swap Rate*” is specified in the applicable 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:

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

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page or such replacement page on that service which displays the information,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent provided, however, that if there is no such rate appearing on the Relevant Screen Page for a term equal to the relevant Reset Period, then the Mid-Swap Rate shall be determined through the use of straight-line interpolation by reference to two rates, one of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period;

**Mid-Swap Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute or an Independent Adviser;

**Rate of Interest** means the Initial Rate of Interest, the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest, as applicable;

**Reference Bond** means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute or an Independent Adviser as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial

practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the relevant Reset Period;

**Reference Bond Price** means, with respect to any Reset Determination Date, (A) if the Calculation Agent obtains four or five Reference Bond Dealer Quotations, the arithmetic average of the Reference Bond Dealer Quotations for such Reset Determination Date, after excluding the highest (or, in the event of equality, one of the highest) and lowest (or, in the event of equality, one of the lowest) such Reference Bond Dealer Quotations, or (B) if the Calculation Agent obtains fewer than four but more than one such Reference Bond Dealer Quotations, the arithmetic average of all such quotations, or (C) if the Calculation Agent obtains one such Reference Bond Dealer Quotations, the amount of such quotation, or (D) if the Calculation Agent obtains no such Reference Bond Dealer Quotations, the Reference Bond Price determined on the immediately preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Reference Bond Fallback Price specified in the applicable Final Terms;

**Reference Bond Reset Rate Time** means the time specified in the applicable Final Terms;

**Reference Bond Yield** means the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond;

**Reference Bond Dealer** means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

**Reference Bond Dealer Quotations** means, with respect to each Reference Bond Dealer and the relevant Reset Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Reference Bond Reset Rate Time on the relevant Reset Determination Date quoted in writing to the Calculation Agent by such Reference Bond Dealer;

**Relevant Screen Page** means the screen page specified in the applicable Final Terms (or any successor or replacement screen displaying the relevant information);

**Reset Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms;

**Reset Date** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**Reset Determination Date** means, in respect of any Reset Period, the second Reset Business Day prior to the first day of such Reset Period;

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

**Reset Reference Rate** means:

- (i) if “*CMT Rate*” is specified in the applicable Final Terms, the CMT Rate;
- (ii) if “*Mid-Swaps*” is specified in the applicable Final Terms, the Mid-Swap Rate; or
- (iii) if “*Reference Bond*” is specified in the applicable Final Terms, the Reference Bond Yield, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price;

**Second Reset Date** means the date specified as such in the applicable Final Terms;

**Subsequent Margin** means the margin specified as such in the applicable Final Terms;

**Subsequent Reset Date** means the date or dates specified as such in, or determined in accordance with, the applicable Final Terms;

**Subsequent Reset Period** means (i) the period from (and including) the Second Reset Date to (but excluding) the next Reset Date, and (ii) each successive period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date (or, in the case of the final Subsequent Reset Period, the Maturity Date); and

**Subsequent Reset Rate of Interest** means, in respect of any Subsequent Reset Period and subject (if applicable) to Conditions 4.3(b) and 4.4, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted (if the Reference Rate is either Mid-Swaps or the Reference Bond Yield), if not already on the same basis, from a basis equivalent to the Fixed Leg Swap Duration specified in the applicable Final Terms or the Reference Bond Yield, as the case may be, to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the relevant Subsequent Margin.

(b) **Fallbacks for Mid-Swap Rate**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Mid-Swap Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Mid-Swap 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 (converted as set out in the definition of such term above) 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 on any Reset Determination Date only one of the Mid-Swap Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) of (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant 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 Mid-Swap Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4.3(b), the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest (as applicable) shall be determined by the Calculation Agent as if, and on the assumption that, the relevant Reset Reference Rate were equal to:

- (i) the Mid-Swap Rate as if determined as at the latest date (the **Latest Publication Date**) on which the relevant swap rate (if “*Single Mid-Swap Rate*” is specified in the applicable Final Terms) or swap rate quotations (if “*Mean Mid-Swap Rate*” is specified in the applicable Final Terms) for a swap in the Specified Currency with a term equal to the relevant Reset Period was/were published on the Relevant Screen Page (deeming such latest rate or rates, as applicable, to apply to a swap commencing on the relevant Reset Date, whether or not this is the case); or
- (ii) if this is more recent than the Latest Publication Date, or if for any reason the relevant Reset Reference Rate cannot otherwise be determined in accordance with paragraph (i) above, the Mid-Swap Rate determined as at the last preceding Reset Date (or, for the purpose of determining the First Reset Rate of Interest on the first Reset Determination Date, the Mid-Swap Fallback Rate specified in the applicable Final Terms).

(c) **Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount**

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Agent, the Trustee and any competent authority or stock exchange by or on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 4.2(d)) thereafter.

(d) **Determination or Calculation by an agent appointed by the Trustee**

If for any reason the Calculation Agent defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with Condition 4.3(a), the Trustee may (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) appoint an agent to do so and such determination shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 4.3 with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. Without prejudice to the provisions of Condition 4.3(e) below, the Trustee shall have no liability to any person in connection with any determination or calculation made by any agent so appointed pursuant to this Condition.

(e) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.3 by the Calculation Agent or any agent appointed by the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee or any agent appointed by the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.4 Benchmark Discontinuation**

This Condition 4.4 applies in respect of each issue of Floating Rate Notes and Reset Notes unless “*Benchmark Discontinuation*” is specified in the applicable Final Terms to be ‘Not Applicable’.

If the applicable Final Terms specifies “*Benchmark Replacement*” to be ‘Applicable’, the provisions of Condition 4.4(a) apply, together with the other provisions of this Condition 4.4 (other than Condition 4.4(b)).

If the applicable Final Terms specifies “*Benchmark Transition*” to be ‘Applicable’, the provisions of Condition 4.4(b) apply, together with the other provisions of this Condition 4.4 (other than Condition 4.4(a)).

(a) *Benchmark Replacement*

If the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.4(a)(ii)) and, in either case, the applicable Adjustment Spread (in accordance with Condition 4.4(a)(iii)) and any Benchmark Amendments (in accordance with Condition 4.4(a)(iv)).

If, notwithstanding the Issuer's reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.4(a), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Successor Rate or an Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments in accordance with this Condition 4.4(a), the provisions of Condition 4.4(g) below shall apply.

(ii) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with such Independent Adviser (if appointed), determines in good faith that:

- (A) there is a Successor Rate, then such Successor Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 4.4(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.4); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 4.4(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.4).

(iii) **Adjustment Spread**

If a Successor Rate or Alternative Rate is determined in accordance with the foregoing provisions, the Issuer, following consultation with the Independent Adviser (if appointed), will determine in good faith the Adjustment Spread to be applied to such Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.4 and the Issuer, following consultation with the Independent Adviser (if appointed), determines in good faith (A) that amendments to the Terms and Conditions of the Notes and/or the Trust Deed (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, Reset Determination Date, or Relevant Screen Page) are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then (subject to Condition 4.4(f) below) the Issuer shall, subject to giving notice thereof in accordance with Condition 4.4(c), without any requirement for the consent or approval of Noteholders or Couponholders, vary the Terms and Conditions of the Notes and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.4(c), the Trustee shall (at the Issuer's expense), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in the Terms and Conditions of the Notes or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 4.4, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Definitions**

As used in this Condition 4.4(a):

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

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (B) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines is in customary market usage (or reflects an industry-accepted rate, formula or methodology) in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (C) if no such recommendation or option has been made (or made available) under (A) above and if the Issuer, following consultation with the Independent Adviser (if appointed) determines there is no such spread, formula or methodology in customary market usage or which is industry-accepted under (B) above, the Issuer, in its discretion, following consultation with the Independent Adviser (if appointed) and acting in good faith and in a commercially reasonable manner, determines to be appropriate having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this paragraph (C), of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders;

**Alternative Rate** means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser (if appointed), determines in accordance with this Condition 4.4 has replaced the Original Reference Rate in customary market usage, or is an industry-accepted rate, in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

**Benchmark Event** means, with respect to an Original Reference Rate, any one or more of the following:

- (A) the Original Reference Rate ceasing to exist or to be published or administered on a permanent or indefinite basis;
- (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or will cease to publish the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued;
- (D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will be prohibited from being used, is no longer (or will no longer be) representative of its underlying market or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same shall be applicable to the Notes; or
- (E) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Issuer, the Calculation Agent, or any Paying Agent to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

provided that in the case of paragraphs (B) to (D) above, the Benchmark Event shall occur on:

- (i) in the case of (B) above, the date of the cessation of the publication of the Original Reference Rate;
- (ii) in the case of (C) above, the discontinuation of the Original Reference Rate; or
- (iii) in the case of (D) above, the date on which the Original Reference Rate is prohibited from use, is deemed no longer to be representative or becomes subject to restrictions or adverse consequences (as applicable),

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (i), (ii) or (iii) above, as applicable);

**Independent Adviser** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense and approved in writing by the Trustee;

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

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

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

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

(b) *Benchmark Transition*

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining the Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 4.4(b) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes.

Any Benchmark Replacement so determined by the Issuer shall have effect for any subsequent determination of any relevant Rate of Interest (subject to any further application of this Condition 4.4(b) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If, notwithstanding the Issuer's reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.4(b), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Benchmark Replacement in accordance with this Condition 4.4(b), the provisions of Condition 4.4(g) below shall apply.

(ii) **Benchmark Replacement Conforming Changes**

If the Issuer, following consultation with the Independent Adviser (if appointed), considers it is necessary to make Benchmark Replacement Conforming Changes, the Issuer shall, in consultation with the Independent Adviser (if appointed), determine the terms of such Benchmark Replacement Conforming Changes, and (subject to Condition 4.4(f) below) shall, subject to giving notice in accordance with Condition 4.4(c) below (but without any requirement for the consent or approval of Noteholders), vary these Conditions and/or the Trust Deed to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.4(c), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed or an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 4.4(b), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(iii) **Definitions**

As used in this Condition 4.4(b):

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

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

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

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment,

or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to any Interest Period, Interest Accrual Period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer (in consultation with the Independent Adviser, if appointed) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (in consultation with the Independent Adviser, if appointed) determines is reasonably necessary);

**Benchmark Replacement Date** means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 4.2(b)(ii)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, provided that, at

the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

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

**Corresponding Tenor** means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the Original Reference Rate;

**Independent Adviser** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense and approved in writing by the Trustee;

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

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

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

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

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

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

(c) *Notices, etc.*

The Issuer shall notify the Trustee, the Agent, the Calculation Agent (if different from the Agent), the Paying Agents and, in accordance with Condition 18, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), determined under this Condition 4.4. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

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

- (i) confirming (x) that a Benchmark Event or a Benchmark Transition Event (as applicable) has occurred, (y) the Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or, as the case may be, the Benchmark Replacement and (z) the specific terms of the Benchmark Amendments or Benchmark Replacement Conforming Changes (if any), as applicable, in each case as determined in accordance with the provisions of this Condition 4.4;
- (ii) certifying that the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) are necessary to ensure the proper operation of (as applicable) (A) such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or (B) such Benchmark Replacement; and
- (iii) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so.

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

*(d) Survival of Original Reference Rate*

Without prejudice to the Issuer's obligations under the provisions of this Condition 4.4, the Original Reference Rate and the fallback provisions provided for in Conditions 4.2 and 4.3, as applicable, will continue to apply unless and until the Calculation Agent has been notified, in accordance with Condition 4.4(c), of (as the case may be):

- (i) the Successor Rate or the Alternative Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 4.4(a); or
- (ii) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 4.4(b).

*(e) Restriction on Independent Adviser and Issuer liability*

An Independent Adviser appointed pursuant to this Condition 4.4 shall act in good faith.

In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Paying Agents, the Agent, the Calculation Agent or the Noteholders or Couponholders for any determination made by the Issuer or the Independent Adviser or (in the case of the Independent Adviser) for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.4.

(f) **Regulatory Capital/ Eligible Liabilities**

Notwithstanding any other provision of this Condition 4.4, the Issuer shall not be required to adopt any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Replacement, nor to effect any Benchmark Amendments or Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected either:

- (i) to prejudice the qualification of the relevant Series of Notes as Tier 2 Capital and/or as eligible liabilities or loss absorbing capacity instruments for the purposes of any Loss Absorption Regulations; or
- (ii) (in the case of Senior Non-Preferred Notes only) to result in the relevant Supervisory Authority treating the relevant Interest Payment Date or the Reset Date, as the case may be, as the effective maturity date of the Notes, rather than the relevant Maturity Date specified in the applicable Final Terms.

In such event, the Issuer shall be entitled to apply the provisions of this Condition 4.4 with such further adjustments as it considers necessary to avoid the consequences described under (i) and/or (ii) above, *provided that* the Issuer, acting in good faith and in a commercial reasonable manner, has determined that so doing shall not be materially less favourable to Noteholders than failing to apply the provisions of this Condition 4.4 at all.

(g) **Fallbacks**

If, following the occurrence of:

- (i) a Benchmark Event; or
- (ii) a Benchmark Transition Event (and its related Benchmark Replacement Date),

in respect of the Original Reference Rate, on the immediately following Interest Determination Date or Reset Determination Date (as applicable):

- (A) (in the case of (i) above) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to Condition 4.4(a) or (as the case may be) a Successor Rate or Alternative Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 4.4(a); or
- (B) (in the case of (ii) above) no Benchmark Replacement is determined in accordance with Condition 4.4(b),

then the original benchmark or screen rate (as applicable) will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date or Reset Determination Date (as the case may be), with the effect that the fallback provisions provided in Condition 4.2(b) and Condition 4.3(b), as applicable, will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.4, *mutatis mutandis*, on one or more occasions until:

- (x) (in the case of (i) above) a Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments; or
- (y) (in the case of (ii) above) the Benchmark Replacement and any Benchmark Replacement Conforming Changes,

have been determined and notified in accordance with this Condition 4.4 (and, until such determination and notification (if any), the fallback provisions provided in Condition 4.2(b) and Condition 4.3(b), as applicable, will continue to apply).

*The Issuer's intention is that, in circumstances where the Issuer has been unable to determine (as applicable) (i) a Successor Rate or Alternative Rate (as applicable) and (in either case) the Adjustment Spread or (ii) the Benchmark Replacement pursuant this Condition 4.4, it will elect to re-apply such provisions if and when, in its sole determination, there have been such subsequent developments (whether in applicable law, market practice or otherwise) as would enable the Issuer successfully to apply such provisions and determine (as applicable) (a) a Successor Rate or Alternative Rate (as applicable) and (in either case) the applicable Adjustment Spread and the applicable Benchmark Amendments (if any) or (b) the Benchmark Replacement and the applicable Benchmark Replacement Conforming Changes (if any).*

**(h) Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event**

If the Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition 4.4 (including, without limitation, appointing and consulting with an Independent Adviser, and seeking to identify any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), provided that no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

**4.5 Interest Accrual**

Interest (if any) will cease to accrue on each Note on, but excluding, the due date for redemption thereof unless payment of principal is improperly withheld or refused in which event interest will continue to accrue as provided in the Trust Deed.

**4.6 Day Count Fractions**

In this Condition 4:

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time in accordance with the applicable Final Terms for any Fixed Rate Note, Reset Note, or Floating Rate Note, as applicable:

- (A) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such

Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Fixed Interest Date on which interest was paid (or, if none, the Interest Commencement Date), the sum of:

I. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

II. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year;

(B) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(C) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(D) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(E) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(F) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

and if no Day Count Fraction for Fixed Rate Notes or Reset Notes is specified in the applicable Final Terms then the Day Count Fraction for such Notes shall be **Actual/Actual (ICMA)** for Notes other than those denominated or payable in U.S. Dollars and **30/360** for Notes denominated or payable in U.S. Dollars;

**Determination Period** means the period from (and including) a Determination Date to (but excluding) the next Determination Date; and

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

## **5. Redemption, Purchase, Substitution and Variation**

### **5.1 Final redemption**

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

### **5.2 Redemption for taxation reasons**

If the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that:

- (a) (if this Note is a Senior Preferred Note or a Deposit Note) on the date of the next payment due in respect of the Notes, the Issuer would be required (i) to pay additional amounts as provided under Condition 9 or (ii) to account to any taxing authority in the United Kingdom for any amount (other than any tax withheld or deducted from interest payable on the Notes) calculated by reference to any amount payable in respect of the Notes; or
- (b) (if this Note is a Subordinated Note or a Senior Non-Preferred Note) a Tax Event has occurred,

and, in any such case, the Issuer cannot avoid the foregoing by taking reasonable measures available to it, then the Issuer may in its sole discretion (subject, if this Note is a Subordinated Note, to compliance with Condition 5.11 or, if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.12), having given not less than 15 nor more than 30 days' notice to the Trustee, the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 5.8 below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 5.2, the Issuer shall deliver to the Trustee a certificate signed by any two authorised signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem has been satisfied. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant requirement or circumstance, in which event it shall be conclusive and binding on the Trustee and the Noteholders and Couponholders.

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

- (i) in making any payments on the Subordinated Notes or the Senior Non-Preferred Notes, the Issuer has paid or will or would on the next payment date be required to pay additional amounts as provided under Condition 9;
- (ii) the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of any payments in respect of the Subordinated Notes or the Senior Non-Preferred Notes in computing its taxation liabilities or the amount of such deduction is or will be reduced;
- (iii) the Subordinated Notes or the Senior Non-Preferred Notes are or will be prevented from being treated as loan relationships for United Kingdom tax purposes; or

- (iv) the Issuer is not, or will not be, able to have losses or deductions set against any profits or gains, or profits or gains offset by any losses or deductions, of companies with which it is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Subordinated Notes or the Senior Non-Preferred Notes or any similar system or systems having like effect as may from time to time exist).

As used herein, **Tax Law Change** means any change in, or amendment to, the laws or regulations of the United Kingdom (including any treaty to which it is a party) or any political subdivision or any authority thereof or therein having power to tax, or any change in the official interpretation thereof by the relevant tax authority or in the application of such laws or regulations by a decision of any court or tribunal that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or any pronouncement of a tax authority in the United Kingdom, which change or amendment becomes effective or, in the case of a change in law, if such change is enacted by a UK Act of Parliament or by Statutory Instrument, on or after the Issue Date.

### **5.3 Redemption following a Regulatory Event**

This Condition 5.3 applies in respect of Subordinated Notes only.

If a Regulatory Event has occurred, then the Issuer may in its sole discretion, subject to compliance with Condition 5.11, and having given not less than 15 nor more than 30 days' notice to the Trustee, the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 5.8 below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 5.3, the Issuer shall deliver to the Trustee a certificate signed by any two authorised signatories of the Issuer confirming that a Regulatory Event has occurred. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of such occurrence, in which event it shall be conclusive and binding on the Trustee and the Noteholders and Couponholders.

A Regulatory Event is deemed to have occurred in respect of a Series of Subordinated Notes if there is a change (which has occurred or which the relevant Supervisory Authority considers to be sufficiently certain) in the regulatory classification of such Series of Subordinated Notes which becomes effective after the Issue Date of such Series of Subordinated Notes and that results, or would be likely to result, in:

- (i) if “*Regulatory Event (Subordinated Notes only): Full Exclusion*” is specified in the applicable Final Terms, the entire principal amount of such Series of Subordinated Notes being excluded from the Tier 2 Capital of the Issuer (whether on an individual or consolidated basis); or
- (ii) if “*Regulatory Event (Subordinated Notes only): Full or Partial Exclusion*” is specified in the applicable Final Terms, the entire principal amount of such Series of Subordinated Notes or any part thereof being excluded from the Tier 2 Capital of the Issuer (whether on an individual or consolidated basis).

### **5.4 Redemption following a Loss Absorption Disqualification Event**

This Condition 5.4 applies in respect of all Series of Senior Non-Preferred Notes except for any Series where “*Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption*” is expressly specified to be “Not Applicable” in the applicable Final Terms.

If a Loss Absorption Disqualification Event has occurred, then the Issuer may in its sole discretion, subject to compliance with Condition 5.12, and having given not less than 15 nor more than 30 days' notice to the Trustee,

the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 5.8 below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Trustee a certificate signed by any two authorised signatories of the Issuer confirming that a Loss Absorption Disqualification Event has occurred. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of such occurrence, in which event it shall be conclusive and binding on the Trustee and the Noteholders and Couponholders.

A **Loss Absorption Disqualification Event** shall be deemed to have occurred in respect of a Series of Senior Non-Preferred Notes if, as a result of any amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective after the Issue Date of such Series of Senior Non-Preferred Notes, either:

- (i) if “*Loss Absorption Disqualification Event: Full Exclusion*” is specified in the applicable Final Terms, the entire principal amount of such Series of Senior Non-Preferred Notes; or
- (ii) if “*Loss Absorption Disqualification Event: Full or Partial Exclusion*” is specified in the applicable Final Terms, the entire principal amount of such Series of Senior Non-Preferred Notes or any part thereof,

is or (in the opinion of the Issuer or the relevant Supervisory Authority) is likely to be excluded from the Issuer’s minimum requirements (whether on an individual or consolidated basis) for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Issuer (whether on an individual or consolidated basis) and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Senior Non-Preferred Notes from the relevant minimum requirement(s) is due to the remaining maturity of such Senior Non-Preferred Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer on the Issue Date of such Series of Senior Non-Preferred Notes.

As used herein, **Loss Absorption Regulations** means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom (including, without limitation, any provision of the Insolvency Act or any other Ranking Legislation which relates to the requisite features of Secondary Non-Preferential Debts), any relevant Supervisory Authority and/or of the European Parliament or of the Council of the European Union then in effect in the United Kingdom and applicable to the Issuer (whether on an individual or consolidated basis) including, without limitation to the generality of the foregoing, any applicable delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by any relevant Supervisory Authority from time to time (whether such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer).

## **5.5 Redemption at the option of the Issuer**

If so specified in the applicable Final Terms, the Issuer may in its sole discretion (subject, if this Note is a Subordinated Note, to compliance with Condition 5.11 or, if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.12) having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 18

(which notice shall be irrevocable), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) as specified in the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

In the event of a redemption of some only of the Notes, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 35 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 18 not less than the minimum period specified in the applicable Final Terms prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5.5 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 at least 15 days prior to the Selection Date.

#### **5.6 Redemption at the option of the Noteholders**

This Condition 5.6 does not apply to Subordinated Notes.

If and to the extent specified in the applicable Final Terms, upon the holder of this Note giving to the Issuer, in accordance with Condition 18, not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem in whole (but not in part) such Note on the relevant Optional Redemption Date and at the relevant Optional Redemption Amount as specified in the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note, on any Business Day (as defined in Condition 4.2(a)) falling within the notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a Put Notice) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

#### **5.7 Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.1, 5.2, 5.3, 5.4, 5.5 or 5.6 above or upon its becoming due and repayable as provided in Condition 10 or Condition 11 (as applicable) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.8 below as though the references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (b) the date on which the full amount of the moneys payable has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders either in accordance with Condition 18 or individually.

## 5.8 Early Redemption Amounts

For the purposes of Conditions 5.2, 5.3 and 5.4 above and Condition 10 (if this Note is a Senior Preferred Note or a Deposit Note) or Condition 11 (if this Note is a Senior Non-Preferred Note or a Subordinated Note), each Note will be redeemed at an amount (the **Early Redemption Amount**) calculated as follows:

- (a) (in the case of Notes other than Zero Coupon Notes) at the amount specified in the applicable Final Terms, or, if no such amount is so set out:
  - (i) in the case of Fixed Rate Notes or Reset Notes, at an amount determined by the Calculation Agent (in its absolute discretion) whereby such amount payable by the Issuer in respect of principal and interest (if any) accrued to (but excluding) the date of such early redemption of each Note shall, taking into account any accrued interest payable on such early redemption, have the effect of preserving for the holder of that Note the economic equivalent of the obligations of the Issuer to pay (A) the Final Redemption Amount specified in the applicable Final Terms which would, but for such early redemption, have been payable on the Maturity Date and (B) the interest (if any) in respect of that Note on such date(s) and in such amount(s) determined in accordance with Condition 4 above and specified in the applicable Final Terms which would, but for such redemption, have been payable up to (and including) the Maturity Date; or
  - (ii) in the case of Floating Rate Notes, at an amount equal to the nominal amount of each Note; or
- (b) in the case of Zero Coupon Notes, at its Early Redemption 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 of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360 day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365).

## 5.9 Purchases

The Issuer or any of its Subsidiaries (as defined in the Trust Deed) may (subject, if this Note is a Subordinated Note, to compliance with Condition 5.11 and prevailing Regulatory Capital Requirements or, if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.12 and prevailing Loss Absorption Regulations) at any time purchase or otherwise acquire Notes (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are attached thereto or surrendered therewith) in any manner and at any price. Notes purchased by the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary, be held, reissued, resold or surrendered for cancellation.

## 5.10 Cancellation

All Notes which are (a) redeemed in full or (b) purchased by or on behalf of the Issuer or any Subsidiary of the Issuer and surrendered for cancellation, will forthwith be cancelled (together with, in the case of definitive

Notes, all unmaturing Coupons attached thereto or surrendered therewith) and such Notes may not be reissued or resold.

### **5.11 Preconditions to Redemption and Purchase of Subordinated Notes**

This Condition 5.11 applies to Subordinated Notes only.

Any redemption or purchase of the Subordinated Notes in accordance with Conditions 5.2, 5.3, 5.5 or 5.9 is subject to:

- (a) the Issuer having obtained Relevant Supervisory Consent therefor;
- (b) the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that either: (A) the Issuer has (or before or at the same time as the relevant redemption or purchase will have) replaced the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum requirements (including any buffer requirements) by a margin that the relevant Supervisory Authority considers necessary at such time; and
- (c) in the case of any redemption or purchase prior to the fifth anniversary of the Issue Date:
  - (A) in the case of redemption upon a Tax Event, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date;
  - (B) in the case of redemption upon the occurrence of a Regulatory Event, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the relevant change in the regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Issue Date;
  - (C) in the case of a purchase pursuant to Condition 5.9, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the Issuer has (or before or at the same time as the relevant purchase will have) replaced the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the relevant Supervisory Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
  - (D) the Subordinated Notes being purchased for market-making purposes in accordance with the prevailing Regulatory Capital Requirements.

Notwithstanding the foregoing, if, at the time of any redemption or purchase, the prevailing Regulatory Capital Requirements permit a repayment or purchase only after compliance with one or more additional or alternative preconditions to those set out above in this Condition 5.11, the Issuer shall comply (in addition or in the alternative, as the case may be) with such additional and/or alternative precondition(s).

In these Terms and Conditions, **Relevant Supervisory Consent** means, in relation to any action, such permission or waiver of the relevant Supervisory Authority as is then required for such action under prevailing Regulatory Capital Requirements and/or Loss Absorption Regulations, as the case may be.

## **5.12 Preconditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes**

This Condition 5.12 applies to Senior Non-Preferred Notes only.

Any redemption, purchase, substitution or variation of Senior Non-Preferred Notes in accordance with Conditions 5.2, 5.4, 5.5, 5.6, 5.9 or 5.13 is subject to:

- (a) the Issuer having obtained Relevant Supervisory Consent therefor; and
- (b) compliance with any other pre-conditions to, or requirements applicable to, such redemption, purchase, substitution or variation as may be required by the relevant Supervisory Authority or the Loss Absorption Regulations at such time, including, in the case of a redemption or purchase and to the extent then so required, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that:
  - (A) it has (or before or at the same time as the relevant redemption or purchase will have) replaced the Senior Non-Preferred Notes with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (B) the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum requirements for own funds and eligible liabilities by a margin that the relevant Supervisory Authority considers necessary at such time; or
  - (C) the partial or full replacement of the Senior Non-Preferred Notes with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the prevailing Regulatory Capital Requirements for continuing authorisation.

## **5.13 Substitution and Variation of Senior Non-Preferred Notes**

This Condition 5.13 applies to each Series of Senior Non-Preferred Notes unless “*Senior Non-Preferred Notes: Substitution and Variation*” is expressly specified to be “Not Applicable” in the applicable Final Terms.

Upon the occurrence of a Loss Absorption Disqualification Event in respect of a Series of Senior Non-Preferred Notes, the Issuer (in its sole discretion but subject to Condition 5.12), having given notice of not more than 30 days nor less than 15 days prior to the date of substitution or variation (as the case may be) to the Trustee and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for substitution or variation, as applicable) may, without any requirement for the consent or approval of the Noteholders or Couponholders, either substitute all (but not some only) of the Senior Non-Preferred Notes of such Series for, or vary the terms of the Senior Non-Preferred Notes of such Series so that they remain or, as appropriate, become, Loss Absorption Compliant Notes. Upon the expiry of the notice referred to above, the Issuer shall either substitute or, as the case may be, vary the terms of the relevant Senior Non-Preferred Notes and, subject as set out below, the Trustee shall agree to such substitution or variation.

In connection with any substitution or variation in accordance with this Condition 5.13, the Issuer shall comply with the rules of any stock exchange on which the relevant Senior Non-Preferred Notes are for the time being listed or admitted to trading.

Any substitution or variation in accordance with this provision is subject to the following conditions:

- (a) the Issuer complying with Condition 5.12;
- (b) such substitution or variation not resulting in any event or circumstance which at or around that time gives the Issuer a redemption right in respect of the resulting Loss Absorption Compliant Notes; and

- (c) prior to the publication of any notice of substitution or variation, the Issuer having delivered to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Loss Absorption Disqualification Event giving rise to the right to substitute or vary the Senior Non-Preferred Notes has occurred as at the date of the certificate and that the conditions set out in (a) and (b) immediately above have been satisfied, and the Trustee shall be entitled to accept and rely on such certificate without liability to any person and without any further inquiry as sufficient evidence thereof, in which event it shall be conclusive and binding on the Trustee and all Noteholders and Couponholders.

The Trustee shall, subject to the Issuer's compliance with the foregoing conditions and the provision of the certificate signed by two authorised signatories of the Issuer as referred to in the definition of Loss Absorption Compliant Notes, and at the expense and cost of the Issuer, use reasonable endeavours to assist the Issuer in any substitution or variation of the relevant Senior Non-Preferred Notes in accordance with this provision, except that the Trustee shall not be obliged to assist in any such substitution or variation if either such substitution or variation itself or the terms of the proposed Loss Absorption Compliant Notes would, in the Trustee's opinion, impose more onerous obligations upon it or expose the Trustee to any additional duties, responsibilities or liabilities in any material respect or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any material respect.

In connection with any such substitution or variation, the Trustee may rely without liability to any Noteholders or Couponholders on a report, confirmation, certificate or any advice of any accountants, financial advisers, financial institutions or any other experts, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate or advice and such report, confirmation, certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders and Couponholders.

In these Terms and Conditions:

**EEA regulated market** means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended;

**Loss Absorption Compliant Notes** means securities that comply with the following (which compliance has been certified to the Trustee in a certificate signed by two authorised signatories of the Issuer and delivered to the Trustee prior to the relevant substitution or variation):

- (a) such securities are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
- (b) such securities and any relative coupons rank (or, if guaranteed by the Issuer, benefit from a guarantee that ranks) as part of the class of Secondary Non-Preferential Debts;
- (c) (subject to (b) above) such securities have terms not materially less favourable to Noteholders and Couponholders than the terms of the relevant Senior Non-Preferred Notes and relative Coupons (as reasonably determined by the Issuer in consultation with an independent adviser of recognised standing);
- (d) (without prejudice to (c) above) such securities (1) contain terms such that they comply with the then applicable Loss Absorption Regulations in order to be eligible to qualify in full towards the Issuer's minimum requirements (on an individual or consolidated basis) for own funds and eligible liabilities and/or loss absorbing capacity instruments; (2) bear the same rate of interest from time to time applying to the relevant Senior Non-Preferred Notes and preserve the same interest payment dates; (3) do not contain terms providing for deferral of payments of interest and/or principal; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the

relevant Senior Non-Preferred Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) do not contain terms providing for loss absorption through principal write-down or conversion to common equity tier 1 instruments; and (6) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the relevant Senior Non-Preferred Notes and relative Coupons which has accrued to Noteholders or Couponholders and not been paid;

- (e) such securities are listed on the same stock exchange or market as the relevant Senior Non-Preferred Notes or the London Stock Exchange or any other United Kingdom or EEA regulated market or any market in an Organisation for Economic Co-operation and Development (OECD) member state selected by the Issuer; and
- (f) where the relevant Senior Non-Preferred Notes which have been substituted or varied had a published rating solicited by the Issuer from one or more Rating Agencies immediately prior to their substitution or variation, such securities benefit from (or will, as announced, or otherwise confirmed in writing, by each such relevant Rating Agency, benefit from) an equal or higher published rating from each such Rating Agency as that which applied to the relevant Senior Non-Preferred Notes (unless any downgrade is solely attributable to the ranking of the securities under (b) above); and

**Rating Agency** means any of S&P Global Ratings Europe Limited, Moody's Investors Service Limited and Fitch Ratings Ltd. and each of their respective affiliates or successors.

## **6. Payments**

### **6.1 Method of Payment**

Subject as provided below:

- (a) payments in a currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### **6.2 Presentation of Notes and Coupons**

Subject as provided below, payments of principal and interest (if any) in respect of definitive Notes (if issued) will be made against presentation and surrender of definitive Notes or Coupons, as the case may be, at any specified office of any Paying Agent.

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

The holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Note (or the Trustee, as the case may be). No person other than the holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer in respect of any payments due on that Global Note.

Notwithstanding the foregoing:

- (a) the Issuer reserves the right to require Couponholders who do not make a declaration (such declaration being to the satisfaction of Her Majesty's Revenue and Customs (HMRC)) that they are not resident in the United Kingdom to present their Coupons at a specified office of a Paying Agent situated outside the United Kingdom if the Issuer would otherwise be obliged to account to any taxing authority in the United Kingdom for any amount in respect of income tax (other than any tax withheld or deducted from interest payable on the Notes) calculated by reference to the interest represented by the relevant Coupon; and
- (b) payments of interest in U.S. Dollars will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia and its possessions)) (i) if (A) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due, (B) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (C) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer and (ii) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons).

If a Fixed Rate Note (other than a Subordinated Note or a Senior Non-Preferred Note) is presented without all unmatured Coupons relating thereto, then:

- (a) if the aggregate amount of the missing Coupons is greater than the principal amount of such Note, such amount 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 principal amount of such Note; provided that, where this subparagraph 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 principal amount of such Note) will be deducted from the amount of principal due for payment; provided that, if the gross amount available for payment is less than the principal amount of such Note, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the principal amount of such Note) which the gross amount actually available for payment bears to the principal amount of such Note.

Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due.

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

Upon the due date for redemption of any Floating Rate Note, Reset Note or Subordinated Note or Senior Non-Preferred Note which is also a Fixed Rate Note in definitive form, all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

### **6.3 Payment Day**

If any date for payment of any amount in respect of any Note or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay.

In this Condition, **Payment Day** means:

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

If the due date for redemption of any interest bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such interest bearing Note from (and including) the last preceding due date for the payment of interest (or from (and including) the Interest Commencement Date, as the case may be) will be paid only against surrender of such interest bearing Note.

### **6.4 Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to “**principal**” in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;

- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to “**interest**” in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## **7. Exchange of Talons**

On and after the Interest Payment Date or the Fixed Interest Date (as appropriate) on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12.

## **8. Agent and Paying Agents**

The name of the initial Agent and its initial specified office are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Accrual Period, the Issuer shall appoint the London office of such other bank as may be approved by the Trustee to act as such in its place. The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

The Issuer may, with the prior approval of the Trustee, vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts provided that the Issuer will, so long as any of the Notes is outstanding, maintain:

- (a) a Paying Agent (which may be the Agent) having a specified office in London or in another city approved by the Trustee in Europe; and
- (b) so long as any of the Notes have been admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a Paying Agent (which may be the Agent) having a specified office in each location required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in subparagraph (b) of the fourth paragraph of Condition 6.2.

Notice of any such variation, termination, appointment or change will be given by the Issuer to the Noteholders in accordance with Condition 18.

## **9. Taxation**

All payments of principal and interest (if any) in respect of the Notes and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, or levied by or on behalf of the United Kingdom or any political subdivision thereof or by or on behalf of any authority thereof or therein having power to tax, unless the withholding or deduction for, or on account of, such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will:

- (i) in the case of all Senior Preferred Notes and Deposit Notes, in respect of payments of interest (if any) and principal; or
- (ii) in the case of all Subordinated Notes and Senior Non-Preferred Notes, in respect of payments of interest (if any) only,

pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or, as the case may be, Couponholders after such withholding or deduction shall equal the respective amounts of (in the case of Notes falling within (i) above only) principal and (in the case of any Notes) interest (if any) which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of such withholding or deduction; except that no such additional amount shall be payable in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (b) presented for payment in the United Kingdom if, at the time of such presentation, the Issuer is maintaining a Paying Agent in respect of the Note or Coupon outside of the United Kingdom; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.3); or
- (d) where the holder is able to avoid such withholding or deduction by presenting an appropriate certificate.

Notwithstanding any other provision of these Terms and Conditions, in no event will additional amounts be payable by (or on behalf of) the Issuer under this Condition 9 or otherwise in respect of any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof or any law implementing such an intergovernmental agreement.

As used herein, the **Relevant Date** means the date on which the relevant payment in respect of the Note or Coupon first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such due date, the **Relevant Date** means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 18.

For the avoidance of doubt, if this Note is a Subordinated Note or a Senior Non-Preferred Note, the Issuer will not pay any additional amounts under this Condition 9 in respect of principal of this Note.

## **10. Events of Default and enforcement - Senior Preferred Notes and Deposit Notes**

This Condition 10 applies only if this Note is a Senior Preferred Note or a Deposit Note, and references in this Condition 10 to “Notes” shall be construed accordingly.

- 10.1 The Trustee at its discretion may, and if so requested in writing by the holders of at least one quarter of the nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction (but, in the case of the happening of any of the events mentioned in subparagraphs (b), (c) and (d) below in relation to the Issuer or any Principal Subsidiary (as defined below) or, in the case of the happening of any of the events mentioned in subparagraphs (e) and (f) below in relation to a Principal Subsidiary, only if the Trustee shall have certified that in its opinion such event is materially prejudicial to the

interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall immediately become, due and repayable as set out below, if any of the following events shall occur and be continuing:

- (a) the Issuer fails to pay any principal or interest in respect of the Notes within seven days of the due date; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes or the Trust Deed which default is incapable of remedy or which, if capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice requiring remedy of such default shall have been given to the Issuer by the Trustee; or
- (c)
  - (i) any other present or future indebtedness in respect of moneys borrowed or raised in an amount of £40,000,000 or more (or its equivalent in any other currency) of the Issuer or any Principal Subsidiary becomes due and payable prior to its stated maturity pursuant to a default; or
  - (i) any such indebtedness is not paid when due or (as the case may be) within any applicable grace period therefor; or
  - (ii) the Issuer or any Principal Subsidiary fails to pay when due or (as the case may be) within any applicable grace period therefor any amount payable by it under any present or future guarantee in an amount of £40,000,000 or more (or its equivalent in any other currency) (other than any guarantee given in the ordinary course of its business) for any indebtedness in respect of moneys borrowed or raised; or
  - (iii) any mortgage, charge, pledge, lien or other encumbrance present or future securing an amount of £40,000,000 or more (or its equivalent in any other currency) and created or assumed by the Issuer or any Principal Subsidiary becomes enforceable and the holder thereof takes any steps to enforce the same; or
- (d) a distress or execution or other similar legal process in respect of a claim for £20,000,000 or more is levied or enforced or sued out upon or against any part of the property, assets or revenues of the Issuer or any Principal Subsidiary and is not discharged or stayed within 30 days of having been so levied, enforced or sued out; or
- (e) the Issuer or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of a liquidator or receiver or administrator or similar officer of itself or the whole or any substantial part of its undertaking, property, assets or revenues or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or ceases or threatens to cease to carry on all or substantially all of its business except in any case:
  - (i) in connection with a Permitted Reorganisation or other substitution pursuant to Condition 14; or
  - (ii) for the purpose of a reconstruction, union, transfer, merger or amalgamation effected with the prior written consent of the Trustee or with the approval (by way of Extraordinary Resolution) of the Noteholders; or
  - (iii) (in the case of a Principal Subsidiary) where all or the major part of the business, undertaking and assets of such Principal Subsidiary is either (A) transferred to the

Issuer and/or one or more Subsidiaries of the Issuer or (B) sold to one or more third party purchasers on arm's length terms; or

- (f) an order is made or an effective resolution is passed for the winding up or dissolution of the Issuer or any Principal Subsidiary or the authorisation or registration of the Issuer is or is proposed to be cancelled, suspended or revoked or anything analogous or similar to any of the foregoing occurs, except in any case:
- (i) in connection with a Permitted Reorganisation or other substitution pursuant to Condition 14; or
  - (ii) for the purposes of a reconstruction, union, transfer, merger or amalgamation effected with the consent of the Trustee or with the approval (by way of Extraordinary Resolution) of the Noteholders; or
  - (iii) (in the case of a Principal Subsidiary) where all or the major part of the business, undertaking and assets of such Principal Subsidiary is either (A) transferred to the Issuer and/or one or more Subsidiaries of the Issuer or (B) sold to one or more third party purchasers on arm's length terms.

**Principal Subsidiary** means a Subsidiary of the Issuer whose total assets (attributable to the Issuer) represent 10 per cent. or more of the consolidated total assets of the Issuer and its Subsidiaries (all as more particularly described in the Trust Deed). A certificate signed by two Authorised Signatories (as defined in the Trust Deed) that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further inquiry or evidence and, if so relied upon, shall, in the absence of manifest or proven error, be conclusive and binding on all parties.

- 10.2 If the Notes become due and repayable pursuant to this Condition 10, they shall be repayable at the Early Redemption Amount together (where applicable) with accrued interest as provided in the Trust Deed.
- 10.3 At any time after the Notes become due and repayable the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, but it shall not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- 10.4 No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, (i) fails to do so, or (ii) is unable for any reason to do so, and such failure or inability is continuing.

## **11. Events of Default and enforcement – Senior Non-Preferred Notes and Subordinated Notes**

This Condition 11 applies only if this Note is a Senior Non-Preferred Note or a Subordinated Note, and references in this Condition 11 to “Notes” shall be construed accordingly.

- 11.1 *Non-payment when due:* If default is made for a period of seven days or more in the payment of any principal due on the Notes or any of them or for a period of 14 days or more in the payment of any interest due on the Notes or any of them, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter of the nominal amount of Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), institute proceedings for the winding up of the Issuer in England (but not elsewhere) to enforce the obligations of the Issuer in respect of the Notes and the Trust Deed in

so far as it relates to the Notes, but may take no other action in respect of such default (except as provided in Condition 11.2).

- 11.2 *Winding up or dissolution:* In the event of a winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), whether or not instituted by the Trustee pursuant to Condition 11.1, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter of the nominal amount of Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer (or the relevant official presiding over such winding up or dissolution) that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount together (if applicable) with accrued interest as provided in the Trust Deed, and shall claim and/or prove in such winding up or dissolution in respect of the Notes (such claim ranking as provided in Condition 2.2(a) or Condition 2.3(a), as applicable).
- 11.3 *Enforcement:* Without prejudice to Conditions 11.1 and 11.2, the Trustee may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Terms and Conditions and the Trust Deed, nor will the Trustee accept the same, otherwise than during or after a winding up or dissolution of the Issuer.
- 11.4 *Rights of holders:* No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails to do so, or (ii) is unable for any reason to do so, in which case any such holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No such holder shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in any winding up or dissolution of the Issuer, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or is unable for any reason to do so, or, being able to prove in any winding up or dissolution of the Issuer, fails to do so, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute proceedings for the winding up in England (but not elsewhere) of the Issuer and/or prove in any winding up or dissolution of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of such Notes and/or Coupons held by him.
- 11.5 *Extent of remedy:* No remedy against the Issuer, other than the institution of proceedings for the winding up in England of the Issuer and/or the proving or claiming in any winding up or dissolution of the Issuer, shall be available to the Trustee, the Noteholders or the Couponholders for the recovery of amounts owing in respect of such Notes or the relative Coupons or under the Trust Deed in so far as it relates to the Notes or the relative Coupons.
- 11.6 *Rights of the Trustee:* The Trustee may at its discretion institute such proceedings as are contemplated by this Condition 11 against the Issuer to enforce the obligations of the Issuer under the Trust Deed in so far as it relates to the Notes or the relative Coupons, but it shall not be bound to institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Notes or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

## **12. Prescription**

Claims for payment of principal in respect of the Notes shall become void upon the expiry of ten years, and claims for payment of interest (if any) in respect of the Notes shall become void upon the expiry of five years, in each case from the Relevant Date therefor, subject to the provisions of Condition 6.

## **13. Meetings of Noteholders, Modification and Waiver**

The Trust Deed contains provisions for convening meetings of Noteholders (or, as the case may be, the holders of Notes of more than one Series) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. Any such meeting may be held as physical meeting or may instead be held by way of audio or video conference call.

The quorum at any such meeting to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes for the time being outstanding so held or represented, except that at any meeting, the business of which includes the modification of certain of these Terms and Conditions or provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trust Deed provides that the Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification which is of a formal, minor or technical nature or which is made to correct a manifest error. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments or Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 4.4 without the consent of the Noteholders or Couponholders. Any such modification, waiver or authorisation shall be binding on the Noteholders and Couponholders and, unless otherwise agreed by the Trustee, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 18.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

## 14. Substitution

### 14.1 Substitution in connection with a Permitted Reorganisation

- (a) In the event of a Permitted Reorganisation, the Successor Entity will be substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons and, unless such substitution is effected automatically by operation of law, the Issuer and (subject as provided below) the Trustee shall enter into one or more trust deeds supplemental to the Trust Deed to give effect to and/or to reflect such substitution, provided that:
- (i) prior to the entry into such trust deed(s) supplemental to the Trust Deed, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that (A) the substitution of the Successor Entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons is being made pursuant to a Permitted Reorganisation and specifying details of such Permitted Reorganisation and (B) the Successor Entity has obtained all necessary governmental and regulatory approvals and consents necessary for its assumption of the obligations and liability as principal debtor under the Trust Deed in respect of the relevant Notes and Coupons and in respect of such Notes and Coupons themselves in place of the Issuer and that such approvals and consents are at the time of substitution in full force and effect (and the Trustee shall be entitled to accept and rely on such certificate without liability to any person and without any further inquiry as sufficient evidence thereof, in which event it shall be conclusive and binding on the Trustee and all Noteholders and Couponholders); and
  - (ii) the Trustee shall not be obliged to enter into such trust deed(s) supplemental to the Trust Deed if such substitution pursuant to a Permitted Reorganisation would, in the Trustee's opinion, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities in any material respect or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any material respect.
- (b) Save as expressly provided in Condition 14.1(c) below, a Permitted Reorganisation and any substitution of the Issuer in connection therewith shall be effected without the need or requirement for any consent or approval from the Trustee, the Noteholders or the Couponholders.
- (c) The Issuer has covenanted with the Trustee in the Trust Deed that it will not transfer its business to a successor in accordance with Section 97 of the Act or pursuant to an order made under section 3 of the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, as amended (the **2007 Act**) unless either (i) the Trustee is satisfied that the successor will be or (as the case may be) remain an authorised person under the FSMA or (ii) such transfer is approved by an Extraordinary Resolution of the Noteholders.
- (d) For the purposes of these Terms and Conditions:

**Permitted Reorganisation** means any of:

- (i) an amalgamation of the Issuer and one or more other building societies under section 93 of the Act (or any successor provision thereto);
- (ii) a transfer by the Issuer of all or substantially all of its engagements under section 94 of the Act (or any successor provision thereto);
- (iii) a transfer by the Issuer of the whole of its business to a company under sections 97 to 102D of the Act (or any successor provisions thereto);

- (iv) a transfer by the Issuer of the whole of its business to a subsidiary of a mutual society pursuant to any order made by HM Treasury under section 3 of the 2007 Act (or any successor provisions thereto); or
- (v) an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to another type of body authorised under the Financial Services and Markets Act 2000 as amended, consolidated or re-enacted from time to time (the **FSMA**) or to a body which is regulated on a similar basis to an authorised person under the FSMA; and

**Successor Entity** means:

- (i) (in respect of an amalgamation of the Issuer and one or more other building societies under section 93 of the Act (or any successor provision thereto)), the resulting building society;
- (ii) (in respect of a transfer by the Issuer of all or substantially all of its engagements under section 94 of the Act (or any successor provision thereto), a transfer by the Issuer of the whole of its business to a company under sections 97 to 102D of the Act (or any successor provisions thereto) or a transfer of the whole of its business to a subsidiary of a mutual society pursuant to any order made by HM Treasury under section 3 of the 2007 Act (or any successor provisions thereto)), the relevant transferee; or
- (iii) (in respect of an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to another type of body authorised under the FSMA or to a body which is regulated on a similar basis to an authorised person under the FSMA), the resulting authorised person under the FSMA or, as the case may be, the resulting body which is regulated on a similar basis to an authorised person under the FSMA.

## **14.2 Substitution other than in connection with a Permitted Reorganisation**

In circumstances other than a Permitted Reorganisation, and subject as provided in the Trust Deed, the Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Noteholders, may agree, without the consent of the Noteholders or Couponholders, to the substitution of any successor in business of the Issuer or of a Subsidiary of the Issuer or any such successor in business in place of the Issuer as principal debtor under the Notes and the Trust Deed in respect of the Notes, provided (in case of the substitution of any company which is a Subsidiary of the Issuer or such successor in business) that the obligations of such Subsidiary in respect of the Notes and the Trust Deed in respect thereof shall be guaranteed by the Issuer or such successor in business in such form as the Trustee may require.

## **14.3 Additional provisions relating to Subordinated Notes and Senior Non-Preferred Notes**

This Condition 14.3 applies only if this Note is a Subordinated Note or a Senior Non-Preferred Note, and references in this Condition 14.3 to Notes shall be construed accordingly.

The Issuer has covenanted with the Trustee in the Trust Deed that if it transfers its business to a company (the **Transferee Company**) within the meaning of the Companies Act 2006 as amended (or any successor thereto or re-enactment thereof) or to a body corporate which is incorporated in an European Economic Area (**EEA**) state (other than the United Kingdom) pursuant to Section 97 of the Act or pursuant to an order made under section 3 of the 2007 Act then, upon such transfer becoming effective:

- (a) it will either deliver evidence reasonably satisfactory to the Trustee that the Transferee Company is an authorised person for the purposes of the FSMA or an EEA firm qualifying for authorisation under

Schedule 3 to the FSMA or, if such evidence is not so delivered, procure that such transfer is approved by an Extraordinary Resolution of the Noteholders; and

- (b) it will, and will procure that the Transferee Company will execute one or more deeds supplemental to the Trust Deed which has the effect of ensuring to the reasonable satisfaction of the Trustee that:
- (i) the Transferee Company is bound by the terms of the Trust Deed in respect of the Notes and these Terms and Conditions as fully as if all and any references therein to the Issuer were references to the Transferee Company; and
  - (ii) the rights of the holders of the Notes and any relative Coupons:
    - (A) are subordinated and postponed (or otherwise rank junior) to the claims of the persons who are holders of share investments (other than deferred share investments) which are qualifying shares (as defined in Section 100(3) of the Act) in the Issuer in respect of claims arising by virtue of Section 100(2)(a) of the Act and which are represented by those qualifying shares and to the claims of other unsecured and unsubordinated creditors of the Transferee Company (save that the rights of the holders of Senior Non-Preferred Notes may rank *pari passu* with any Secondary Non-Preferential Debts in respect of the Transferee Company or any other claims which rank, or are expressed to rank, *pari passu* therewith);
    - (B) (if such Notes are Subordinated Notes) are subordinated and postponed to the claims in respect of the Senior Non-Preferred Notes; and
    - (C) will be such that they rank in priority to the holders of the issued share capital of the Transferee Company,

and containing such other provisions as the Trustee (having regard in particular to the foregoing) may reasonably require; provided that no variation or supplement to the terms of the Trust Deed or of these Terms and Conditions shall be made in any such supplemental deed which would or might cause:

- (1) any qualifying own funds or capital resources of the Issuer for the purposes of the Regulatory Capital Requirements prevailing at that time to be excluded from such own funds or capital resources; or
- (2) any liabilities of the Issuer which, for the purposes of the Loss Absorption Regulations prevailing at that time, qualify towards the Issuer's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments to be excluded from such minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments.

#### **14.4 Effect of substitution**

Any substitution pursuant to this Condition 14 shall be binding on the Issuer, the Trustee, the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 18.

## **15. Further Issues**

The Issuer is at liberty from time to time without the consent of the Trustee, the Noteholders or Couponholders to create and issue further notes ranking equally in all respects (or in all respects save for the date for and the amount of the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series.

## **16. Replacement of Notes, Coupons and Talons**

If a Note (including any Global Note), Coupon or Talon is mutilated, defaced, destroyed, stolen or lost it may be replaced at the specified office of the Agent in London, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 18, on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **17. Indemnification of, and transactions by, the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any Subsidiary of the Issuer without accounting for any profit resulting therefrom.

## **18. Notices**

Subject to the following paragraph, all notices regarding the Notes will be valid if published in the Financial Times or any other daily newspaper in London approved by the Trustee. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Notes have then been admitted to listing, trading, and/or quotation (including publication on the website of the relevant stock exchange or relevant authority if required by those rules and regulations). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication in all the required newspapers. If publication as aforesaid is not practicable, notices will be valid if given in such other manner and shall be deemed to have been given on such date as the Issuer and the Trustee may determine. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 18.

Until such time as any definitive Notes are issued, there may, so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system approved by the Trustee, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system (as the case may be) for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg and/or any other clearing system approved by the Trustee in which the relevant Notes are cleared, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or such other clearing system, as the case may be, may approve for this purpose.

## **19. Governing Law**

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

## **20. Contracts (Rights of Third Parties) Act 1999**

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

## **21. Recognition of UK Bail-in Power**

- (a) Notwithstanding, and to the exclusion of, any other term of any Series of Notes or any other agreements, arrangements or understandings between the Issuer and any Noteholder (or the Trustee on behalf of any Noteholder), by its acquisition of any Note (or any interest therein), each Noteholder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of the UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents, and agrees to be bound by:
- (i) the effect of the exercise of the UK Bail-in Power by the Resolution Authority, that may include and result in (without limitation) any of the following, or some combination thereof:
    - (A) the reduction of all, or a portion, of the Amounts Due;
    - (B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, deferred shares (including core capital deferred shares), other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, deferred shares (including core capital deferred shares), securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
    - (C) the cancellation of the Notes; and/or
    - (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, and/or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
  - (ii) the variation of the terms of the Notes and the Trust Deed, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.
- (b) No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.
- (c) Neither a reduction or cancellation, in part or in full, of the Amounts Due or the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes, will be an Event of Default or otherwise constitute a breach of or default under the terms of the Notes or the Trust Deed nor a default or event of default for any other purpose.
- (d) Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall promptly give notice to the Noteholders in accordance with Condition 18 and to the Trustee

and the Paying Agents. Any delay or failure by the Issuer in delivering any notice referred to in this Condition shall not affect the validity or enforceability of the UK Bail-in Power.

- (e) For the purposes of this Condition 21:
- (i) **Amounts Due** means the principal amount of, and any accrued but unpaid interest on, the Notes. References to such amounts will include (but will not be limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of the UK Bail-in Power by the Resolution Authority;
  - (ii) **Resolution Authority** means the Bank of England or any successor or replacement thereto and/or such other authority in the United Kingdom with the ability to exercise the UK Bail-in Power;
  - (iii) **UK Bail-in Power** means any write-down, conversion, transfer, modification, moratorium and/or suspension power (including, without limitation, any write-down or conversion powers which may be exercised by the Resolution Authority independently of resolution proceedings) existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, building societies, financial holding companies, mixed financial holding companies, credit institutions and/or investment firms (and/or any group company of any of the foregoing) incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of its group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a resolution regime in the United Kingdom under the Banking Act 2009 and/or the Loss Absorption Regulations, in each case as amended from time to time; and
  - (iv) references in this Condition 21 to any **Note** or **Noteholder** shall be deemed to include reference to any **Coupon** or **Couponholder**, respectively, where the context admits.

**AGENT AND PAYING AGENT**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

and/or such other or further Agent and other or further Paying Agents and/or specified offices as may from time to time be duly appointed by the Issuer and notice of which has been given to the Noteholders.

## SCHEDULE 2

### FORMS OF NOTES, COUPONS AND TALONS

#### PART 1

##### FORM OF TEMPORARY GLOBAL NOTE

**[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>**

##### **NATIONWIDE BUILDING SOCIETY**

*(Incorporated under the Building Societies Act 1986)*

(the **Issuer**)

##### **TEMPORARY GLOBAL [DEPOSIT]<sup>2</sup> NOTE**

This Note is a Temporary Global [Deposit]<sup>2</sup> Note in respect of a duly authorised issue of Notes of the Issuer (the **Notes**) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is annexed hereto [and relates to money which has been deposited with the Issuer]<sup>2</sup>. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as completed by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 17 April 1991 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note to or to the order of the Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes.

If the Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the

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<sup>1</sup> Delete where the original maturity of the Notes is 365 days or less.

<sup>2</sup> Delete in the case of all Notes other than Deposit Notes.

bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part 2 or 3 of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note the Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation, the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make entries referred to above shall not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Agent by Clearstream Luxembourg and/or Euroclear a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate of non-US beneficial ownership in the form required by it. The bearer of this Global Note will not (unless upon due presentation of this Global Note for exchange, delivery of the appropriate number of Definitive Notes (together with the Coupons appertaining thereto) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Global Note may be exchanged (at the cost and expense of the Issuer) in whole or in part for, as specified in the Final Terms, either (a) Definitive Notes and (if applicable) Coupons and/or Talons in or substantially in the forms set out in Parts 3, 4 and 5 of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Definitive Notes) or (b) either (if the Final Terms indicates that this Global Note is intended to be a New Global Note) interests recorded in the records of the relevant Clearing Systems in a Permanent Global Note or (if the Final Terms indicates that this Global Note is not intended to be a New Global Note) a Permanent Global Note, which, in either case, is in or substantially in the form set out in Part 2 of Schedule 2 to the Trust Deed (together with the Final Terms attached thereto) upon notice being given to the Agent by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an

interest in this Global Note and subject, in the case of Definitive Notes, to such notice period as is specified in the Final Terms.

If Definitive Notes and (if applicable) Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Global Note, then this Global Note may only thereafter be exchanged for Definitive Notes and (if applicable) Coupons and/or Talons pursuant to the terms hereof. This Global Note may be exchanged by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for general business in London.

The Issuer shall procure that Definitive Notes or (as the case may be) the Permanent Global Note shall be issued and delivered and (in the case of the Permanent Global Note where the Final Terms indicates that this Global Note is intended to be a New Global Note) interests in the Permanent Global Note shall be recorded in the records of the relevant Clearing Systems in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate of non-US beneficial ownership in the form required by it.

On an exchange of the whole of this Global Note, this Global Note shall be surrendered to or to the order of the Agent. The Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, on an exchange of the whole or part only of this Global Note, details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, on an exchange of part only of this Global Note details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged. On any exchange of this Global Note for a Permanent Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Note and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4 and 5 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (including any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding), as evidence as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the

bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

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

This Global Note and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Agent and, if this Global Note is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS** whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of [            ].

**NATIONWIDE BUILDING SOCIETY**

By: .....  
Director/Duly Authorised Officer

By: .....  
Director/Secretary/Duly Authorised Officer

Authenticated without recourse, warranty or liability by  
Citibank, N.A., London Branch, as Agent

By: .....  
Authorised Officer

<sup>3</sup>Effectuated without recourse,  
warranty or liability by

.....  
as common safekeeper

By: .....

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<sup>3</sup> This should only be completed where the Final Terms indicates that this Global Note is intended to be a New Global Note in respect of which effectuation is to be applicable.









## PART 2

### FORM OF PERMANENT GLOBAL NOTE

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>

#### NATIONWIDE BUILDING SOCIETY

*(Incorporated under the Building Societies Act 1986)*

(the **Issuer**)

#### PERMANENT GLOBAL [DEPOSIT]<sup>2</sup> NOTE

This Note is a Permanent Global [Deposit]<sup>2</sup> Note in respect of a duly authorised issue of Notes of the Issuer (the **Notes**) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is annexed hereto [and relates to money which has been deposited with the Issuer]<sup>2</sup>. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as completed by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 17 April 1991 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject as hereinafter provided and to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note to or to the order of the Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes.

If the Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

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<sup>1</sup> Delete where the original maturity of the Notes is 365 days or less

<sup>2</sup> Delete in the case of all Notes other than Deposit Notes

If the Final Terms indicates that this Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part 2 or Part 3 of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note the Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation, the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof and any failure to make entries referred to above shall not affect such discharge.

If the Notes represented by this Global Note were, on issue, represented by a Temporary Global Note then on any exchange of such Temporary Global Note for this Global Note or any part hereof, the Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such exchange shall be entered in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.

This Global Note may be exchanged (at the cost and expense of the Issuer), in whole, but not in part, for Definitive Notes and (if applicable) Coupons and/or Talons in or substantially in the forms set out in Parts 3, 4 and 5 of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Definitive Notes). As indicated in the Final Terms, this Global Note is exchangeable either (a) upon not less than 45 days' written notice (expiring at least 30 days after the Exchange Date (as defined in the Temporary Global Note)) being given to the Agent by Euroclear and/or Clearstream Luxembourg (acting on the instructions of persons with an interest in this Global Note) or (b) upon not less than 45 days' written notice (expiring at least 30 days after the Exchange Date) being given to the Agent by Euroclear and/or Clearstream, Luxembourg (acting on the instructions of persons with an interest in this Global Note) if the Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a

continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Trustee is available. If the Final Terms permit trading in the clearing systems in Tradeable Amounts which are not a Specified Denomination, this Global Note will only be exchangeable for Definitive Notes and (if applicable) Coupons and/or Talons in the circumstances provided in (b) above. The Issuer will promptly give notice to the Noteholders in accordance with the Conditions if any such event as aforesaid occurs. Such exchange will be made on any day (other than a Saturday or a Sunday) on which banks are open for business in London by the bearer of this Global Note.

The aggregate nominal amount of Definitive Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4 and 5 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (including any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding), as evidence as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

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

This Global Note and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Agent and, if this Global Note is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS** whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of [        ].

**NATIONWIDE BUILDING SOCIETY**

By: .....  
Director/Duly Authorised Officer

By: .....  
Director/Secretary/Duly Authorised Officer

Authenticated without recourse, warranty or liability by  
Citibank, N.A., London Branch, as Agent.

By: .....  
Authorised Officer

<sup>3</sup>Effectuated without recourse,  
warranty or liability by

.....  
as common safekeeper

By: .....

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<sup>3</sup> This should only be completed where the Final Terms indicates that this Global Note is intended to be a New Global Note in respect of which effectuation is to be applicable.









**PART 3**

**FORM OF DEFINITIVE NOTE**

**[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>**

**NATIONWIDE BUILDING SOCIETY**

*(Incorporated under the Building Societies Act 1986)*

**(the Issuer)**

**[Specified Currency and Nominal Amount of Tranche]**

**[SENIOR PREFERRED][SENIOR NON-PREFERRED] [SUBORDINATED] [DEPOSIT]<sup>2</sup> NOTES**

**DUE**

**[Year of Maturity]**

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (**Notes**) [and relates to money which has been deposited with the Issuer]<sup>2</sup>. References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as completed by the relevant information (appearing in the Final Terms (the **Final Terms**)) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 17 April 1991 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date or on such earlier date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Note and to pay interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Agent.

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<sup>1</sup> Delete where the original maturity of the Notes is 365 days or less.

<sup>2</sup> Delete in the case of all Notes other than Deposit Notes.

**IN WITNESS** whereof the Issuer has caused this Note to be signed in facsimile on its behalf.

Issued as of [            ].

**NATIONWIDE BUILDING SOCIETY**

By: .....  
Director/Duly Authorised Officer

By: .....  
Director/Secretary/Duly Authorised Officer

Authenticated without recourse, warranty or liability by  
Citibank, N.A., London Branch, as Agent

By: .....  
Authorised Officer

**[Conditions]**

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

## **Final Terms**

[Here to be set out the text of the relevant information completing the Conditions which appears in the Final Terms relating to the Notes]

**PART 4**

**FORM OF COUPON**

On the front:

**NATIONWIDE BUILDING SOCIETY**

**[Specified Currency and Nominal Amount of Tranche]  
[SENIOR PREFERRED][SENIOR NON-PREFERRED][SUBORDINATED] [DEPOSIT] NOTES  
DUE**

**[Year of Maturity]**

**Series No. [ ]**

[Coupon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].<sup>1</sup>

**Part A**

**[For Fixed Rate Notes:**

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes.

Coupon for  
[ ]  
due on [ ], [ ]]

**Part B**

**[For Floating Rate Notes:**

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in [ ] [ ]/[ ]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

**[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>2</sup>**

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<sup>1</sup> Delete where the Notes are all of the same denomination.

<sup>2</sup> Delete where the original maturity of the Notes is 365 days or less.

**PART 5**  
**FORM OF TALON**

On the front:

**NATIONWIDE BUILDING SOCIETY**

[Specified Currency and Nominal Amount of Tranche]  
[SENIOR PREFERRED][SENIOR NON-PREFERRED] [SUBORDINATED] [DEPOSIT] NOTES  
DUE  
[Year of Maturity]  
Series No. [    ]

Talon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]<sup>1</sup>

On and after [            ] further Coupons [and a further Talon]<sup>2</sup> appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

**[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>3</sup>**

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<sup>1</sup> Delete where the Notes are all of the same denomination.

<sup>2</sup> Not required on last Coupon sheet.

<sup>3</sup> Delete where the original maturity of the Notes is 365 days or less.

On the back of Coupons and Talons:

**AGENT AND PAYING AGENT**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

### SCHEDULE 3

#### PROVISIONS FOR MEETINGS OF THE NOTEHOLDERS

1. As used in this Schedule 3, the following expressions shall have the following meanings unless the context otherwise requires:
  - (a) **voting certificate** shall mean a certificate in the English language, issued by a Paying Agent and dated, in which it is stated:
    - (i) that on the date thereof Notes (not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were (to the satisfaction of such Paying Agent) held to its order or under its control or (in the case only of Definitive Notes) were deposited with such Paying Agent and that such Notes will not be released until the first to occur of:
      - (A) the conclusion of the meeting specified in such certificate or any adjourned such meeting or any poll taken on any resolution proposed thereat (whichever shall be the later); and
      - (B) the surrender of the certificate to the Paying Agent which issued the same; and
    - (ii) that the bearer thereof is entitled to attend and vote at such meeting or any adjourned such meeting in respect of the Notes represented by such certificate;
  - (b) **block voting instruction** shall mean a document in the English language, issued by a Paying Agent and dated, in which:
    - (i) it is certified that Notes (not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction or any adjourned such meeting) were (to the satisfaction of such Paying Agent) held to its order or under its control) or (in the case only of Definitive Notes) were deposited with such Paying Agent and that no such Notes will be released until the first to occur of:
      - (A) the conclusion of the meeting specified in such document or any adjourned such meeting or any poll taken on any resolution proposed thereat (whichever shall be the later); and
      - (B) the surrender (not less than 48 hours before the time for which such meeting or adjourned meeting is convened or poll called) of the respective receipts to the Paying Agent which issued the same in respect of any such deposited Note which is to be released or (as the case may require) the Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control coupled with notice from the Paying Agent to the Society of such surrender;
    - (ii) it is certified that each holder of such Notes, or a duly authorised agent on the holder's behalf, has instructed such Paying Agent that the vote(s) attributable to such Notes should be cast in a particular way in relation to the resolution or resolutions to be put to such meetings or any adjournment thereof and that all such instructions

are, during the period of 48 hours prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment;

- (iii) the total number and (in the case only of Definitive Notes) the serial numbers of the Notes so held or deposited are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (iv) one or more person or persons named in such document (hereinafter called **proxies**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (iii) above as set out in such document.
- (c) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and

**48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

2. Voting certificates and block voting instructions will only be issued in respect of Notes held to the order or under the control of or deposited with any Paying Agent not less than 48 hours before the time for which the meeting or the poll to which the same relate has been convened or called and shall be valid for so long as the relevant Notes are not released pursuant to paragraph 1 hereof; and during the validity thereof the holder of any such voting certificate or, as the case may be, the proxies named in any such block voting instruction shall, for all purposes in connection with any meeting of Noteholders (or, as the case may be, the holders of the Notes of the relevant Series), be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the Paying Agent to the order or under the control of which such Notes are held or with which such Notes have been deposited shall nevertheless be deemed for such purpose not to be the holder of those Notes.
3. The Trustee or the Society at any time may, and the Trustee (subject to its being indemnified to its satisfaction against all costs and expenses thereby occasioned) upon a request in writing of Noteholders (or, as the case may be, the holders of the Notes of the relevant Series) holding not less than one-tenth of the nominal amount of the Notes (or, as the case may be, the Notes of any Series) for the time being outstanding shall, convene a meeting of the Noteholders (or, as the case may be, the holders of the Notes of the relevant Series). Whenever the Society is about to convene any such meeting, it shall immediately give notice in writing to the Trustee and the Dealers of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such place as the Trustee may approve (which need not be a physical place and instead may be held by way of audio or video conference call).

4. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) specifying the day, time and place of meeting shall be given in the manner provided in the Conditions. A copy of the notice shall be given to the Trustee unless the meeting shall be convened by the Trustee and to the Society unless the meeting shall be convened by the Society. Such notice shall be given in the manner provided in these presents and shall, unless in any particular case the Trustee otherwise agrees, specify the terms of the resolution to be proposed and shall include a statement to the effect that Notes may be held to the order or under the control of or deposited with any Paying Agent for the purpose of obtaining voting certificates or appointing proxies until 48 hours before the time fixed for the meeting but not thereafter.
5. A person (who may, but need not, be a Noteholder) nominated in writing by the Trustee shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for the holding of such meeting, the Noteholders present shall choose one of their number to be chairman and, failing such choice, the Society may appoint a chairman (who may, but need not, be a Noteholder).
6. At any such meeting one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-twentieth of the nominal amount of the Notes or, as the case may be, of the Notes of the relevant Series for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate a clear majority in the nominal amount of the Notes or, as the case may be, of the Notes of the relevant Series for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution) namely:
  - (a) modification of the date fixed for final maturity of the Notes or, as the case may be, of the Notes of the relevant Series or reduction of the amount of principal payable on any such date;
  - (b) reduction or cancellation of the nominal amount of or the principal payable on the Notes, or the exchange, sale or conversion thereof as contemplated by paragraph 19(b) below;
  - (c) reduction of the amount payable or modification of the method of calculating the amount payable or modification of the date of payment in respect of any interest;
  - (d) alteration of the currency in which payments under the Notes and Coupons are to be made;
  - (e) alteration of the majority required to pass an Extraordinary Resolution; and
  - (f) alteration of this proviso or the proviso to paragraph 7 below;

the quorum shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds of the nominal amount of the Notes or, as the case may be, of the Notes of the relevant Series for the time being outstanding.

7. If within half an hour from the time appointed for any such meeting a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it

shall be adjourned for such period, not being less than 14 days nor more than 42 days, as may be appointed by the chairman. At such adjourned meeting one or more persons present in person holding Definitive Notes or, as the case may be, Notes of the relevant Series and/or voting certificates and/or being proxies (whatever the nominal amount of the Notes or, as the case may be, of the Notes of the relevant Series for the time being outstanding so held or represented) shall form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting; provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to paragraph 6 above, the quorum shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and being or representing in the aggregate the holders of not less than one-third in nominal amount of the Notes or, as the case may be, of the Notes of the relevant Series for the time being outstanding.

8. The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
9. At least ten days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as of an original meeting, and such notice shall state the quorum required at such adjourned meeting. Subject as aforesaid, it shall not be necessary to give any notice of an adjourned meeting.
10. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other vote or votes to which the chairman is entitled as a Noteholder and/or as a holder of a voting certificate and/or as a proxy.
11. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by one or more persons holding one or more Definitive Notes and/or voting certificates and/or being proxies and being or representing in the aggregate not less than one-fiftieth part of the nominal amount of the Notes or, as the case may be, of the Notes of the relevant Series then outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
12. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs, and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
13. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
14. The Trustee and the Society (through their respective representatives) and their respective financial and legal advisers shall be entitled to attend and speak at any meeting of the Noteholders or, as the case may be, of the holders of the Notes of any Series. Save as aforesaid, no person shall be entitled to attend or vote at any meeting of the Noteholders or, as the case may be, of the holders of the Notes of any Series or to join with others in requesting the convening of such a meeting without producing the Notes or Notes of the relevant Series held by such person or a voting certificate or without being a proxy. Without prejudice to any obligation to cancel purchased Notes contained in the Conditions, neither the Society nor any of the Society's Subsidiaries shall be entitled to vote in

respect of Notes held by or on behalf of it or any of its Subsidiaries but this shall not prevent any of the proxies named in any block voting instruction from being a director, managing director, officer or representative of, or otherwise connected with, the Society or any of its Subsidiaries.

15. Subject as provided in paragraph 14 above, at any meeting:
- (a) on a show of hands every person who is present in person and produces a Definitive Note or voting certificate or is a proxy shall have one vote; and
  - (b) on a poll every person who is so present shall have one vote in respect of:
    - (i) in the case of a meeting of the holders of Notes all of which are denominated in U.S. dollars, each U.S.\$1.00;
    - (ii) in the case of a meeting of the holders of Notes all of which are denominated in euro, each €1.00;
    - (iii) in the case of a meeting of the holders of Notes all of which are denominated in sterling, each £1.00;
    - (iv) in the case of a meeting of the holders of Notes all of which are denominated in Yen, each Yen 1.00;
    - (v) in the case of a meeting of the holders of Notes all of which are denominated in Australian dollars, each A\$1.00;
    - (vi) in the case of a meeting of the holders of Notes all of which are denominated in New Zealand dollars, each NZ\$1.00;
    - (vii) in the case of a meeting of the holders of Notes all of which are denominated in Hong Kong dollars, each HK\$1.00;
    - (viii) in the case of a meeting of the holders of Notes all of which are denominated in Canadian dollars, each Can\$1.00;
    - (ix) in the case of a meeting of the holders of Notes all of which are denominated in Danish Krone, each Dkr1.00;
    - (x) in the case of a meeting of the holders of Notes all of which are denominated in Norwegian Krone, each NKr1.00;
    - (xi) in the case of a meeting of the holders of Notes all of which are denominated in Swiss francs, each Sfr1.00;
    - (xii) in the case of a meeting of the holders of Notes all of which are denominated in a single currency other than those stated above, each minimum integral amount of such currency; and
    - (xiii) in the case of a meeting of the holders of Notes denominated in more than one currency, each U.S.\$1.00 or, in the case of a Note denominated in a currency other than U.S. dollars, the equivalent of U.S.\$1.00 in such currency at the Agent's spot buying rate for the relevant currency against U.S. dollars at or about 11am on the date of publication of the notice of the relevant meeting (or of the original meeting of which such meeting is an adjournment),

or such other amount as the Trustee shall in its absolute discretion stipulate in nominal amount of Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy. Without prejudice to the obligations of proxies named in any block voting instruction, any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

Without prejudice to the obligations of the proxies named in any block voting instruction any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

16. The proxies named in any block voting instruction need not be Noteholders.
17. Each block voting instruction, together (if so required by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying Agent, shall be deposited at the principal office of the Society, or at such other place as the Trustee shall designate or approve, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. Unless otherwise agreed by the Trustee, notarially certified copies of each block voting instruction and satisfactory proof as aforesaid (if applicable) shall be deposited with the Trustee before the commencement of the meeting or adjourned meeting, but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of, or the authority of the proxies named in, any such block voting instruction.
18. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Noteholders' instructions pursuant to which it was executed, provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent by or on behalf of the Society at its office (or send to the place as be approved by the Trustee) or by the chairman of the meeting, in each case by the time being 24 hours before the commencement of the meeting or adjourned meeting at which the block voting instruction is intended to be used.
19. A meeting of the Noteholders (or, as the case may be, of the holders of Notes of any one or more Series) shall, in addition to the powers hereinbefore given, but without prejudice to any powers conferred on other persons by these presents, have the following powers exercisable by Extraordinary Resolution namely:
  - (a) power to sanction any proposal by the Society or any other entity for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders and/or the Couponholders (or, as the case may be, the holders of Notes or Coupons of the relevant Series) against the Society or any other entity which may assume the rights and obligations of the Society hereunder, whether such rights shall arise under these presents, the Notes, the Coupons or otherwise;
  - (b) power to sanction the exchange or substitution for the Notes (or, as the case may be, the Notes of the relevant Series) of, or the conversion of the Notes (or, as the case may be, the Notes of the relevant Series) into cash and/or into shares, stock, notes, bonds, debentures, debenture stock or other obligations or securities of the Society or any other body corporate formed or to be formed in respect of and in total satisfaction of all sums then outstanding;
  - (c) power to assent to any alteration of the provisions contained in these presents, the Notes or Coupons (or, as the case may be, the Notes or Coupons of the relevant Series) which shall be proposed by the Society or the Trustee;

- (d) power to approve a person proposed to be appointed a new Trustee under the Trust Deed and, subject to the provisions of subclause 26.1 thereof, power to remove any Trustee or Trustees for the time being thereof;
  - (e) power to authorise the Trustee to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
  - (f) power to discharge or exonerate the Trustee from any liability in respect of any act or omission for which the Trustee may have become responsible under these presents or under the Notes (or, as the case may be, the Notes of the relevant Series);
  - (g) power to give any authority, direction or sanction which under the provisions of these presents or the Notes is required to be given by Extraordinary Resolution; and
  - (h) power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders (or, as the case may be, the holders of Notes of the relevant Series) and to confer upon such committee or committees any powers or discretions which the Noteholders (or, as the case may be, the holders of Notes of the relevant Series) could themselves exercise by Extraordinary Resolution.
20. An Extraordinary Resolution passed at a meeting of the Noteholders (or, as the case may be, the holders of Notes of the relevant Series) duly convened and held in accordance with these presents shall be binding upon all the Noteholders (or, as the case may be, all the holders of Notes of the relevant Series), whether present or not present at such meeting and upon all the Couponholders (or, as the case may be, all the holders of Coupons appertaining to Notes of the relevant Series), and each of the relevant Noteholders and Couponholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing thereof.
21. The expression **Extraordinary Resolution** when used in these presents means a resolution passed at a meeting of the Noteholders (or, as the case may be, of the holders of Notes of any one or more Series) duly convened and held in accordance with the provisions contained herein by a majority consisting of not less than three-fourths of the votes cast thereon.
22. A resolution in writing signed by or on behalf of Noteholders holding not less than three-fourths in nominal amount of the Notes (or, as the case may be, not less than three-fourths of the nominal amount of the Notes of any one or more Series) who for the time being are entitled to receive notice of a meeting in accordance with the provisions herein contained shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Noteholders.
23. A consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Trustee) by or on behalf of Noteholders holding not less than three-fourths in nominal amount of the Notes (or, as the case may be, not less than three-fourths of the nominal amount of the Notes of any one or more Series) for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the provisions herein contained.
24. (a) Unless the whole of the Notes for the time being outstanding constitutes a single Series of Notes which is identical in all respects then each part of the Notes which is in all respects identical and forms a single Series shall constitute a separate Series of the Notes and the

foregoing provisions of this Schedule 3 shall have effect subject to the following modifications:

- (i) a resolution which, in the opinion of the Trustee, affects one Series only of the Notes shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that Series;
- (ii) a resolution which, in the opinion of the Trustee, affects more than one Series of the Notes but does not give rise to a conflict of interests between the holders of the Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all Series so affected;
- (iii) a resolution which, in the opinion of the Trustee, affects more than one Series of the Notes and gives or may give rise to a conflict of interests between the holders of the Notes of one Series or group of Series so affected shall be deemed to have been duly passed only if in lieu of being passed at a single meeting of the Noteholders of all such Series it shall be passed at separate meetings of the holders of the Notes of each Series or group of Series so affected; and
- (iv) all the preceding provisions of this Schedule 3 shall *mutatis mutandis* apply to all such meetings as aforesaid as though references therein to Notes and Noteholders were references to the Notes of the Series in question and to the holders of such Notes respectively.

- (b) If the Society shall have issued and have outstanding Notes which are not denominated in U.S. dollars, in the case of any meeting of holders of Notes of more than one currency the principal amount of such Notes shall (i) for the purposes of paragraph 3 above be the equivalent in U.S. dollars at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into U.S. dollars on the seventh dealing day prior to the day on which the request in writing is received by the Trustee and (ii) for the purposes of paragraphs 6, 7 and 11 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day (as defined above) prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each U.S. dollar of the Notes (converted as above) which he holds.

- 25. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Society or the Trustee, and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Noteholders (or, as the case may be, the holders of the Notes of the relevant Series), shall be conclusive evidence of the matters therein contained, and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.
- 26. Subject to all other provisions contained in these presents, the Trustee may without the consent of the Noteholders prescribe such further regulations regarding the holding of meetings of Noteholders (or, as the case may be, of holders of Notes of any one or more Series) and attendance and voting thereat as the Trustee may at its sole discretion determine including the holding of meetings by audio or video conference call in circumstances where it may be impossible or inadvisable to hold physical meetings.

**SIGNATORIES**

**THE SEAL** of **NATIONWIDE** )  
**BUILDING SOCIETY** was affixed )  
to this deed in the presence of: )

**THE COMMON SEAL** of **THE LAW** )  
**DEBENTURE TRUST CORPORATION** )  
**P.L.C.** was affixed to this deed in the presence of: )

Director

\_\_\_\_\_  
Authorised Signatory

**17 APRIL 1991**

**(AS MODIFIED AND RESTATED MOST  
RECENTLY ON 30 OCTOBER 2020)**

**NATIONWIDE BUILDING SOCIETY**

**and**

**THE LAW DEBENTURE TRUST  
CORPORATION P.L.C.**

**in respect of a**

**U.S.\$25,000,000,000  
EUROPEAN NOTE PROGRAMME**

**TRUST DEED**

**SIGNATORIES TO THE THIRTY-FIRST SUPPLEMENTAL TRUST DEED**

**SIGNED** as a deed by )  
**NATIONWIDE BUILDING SOCIETY** )  
acting by its attorney: )  
)  
)  
*Name:* Jason Wright ..... )

in the presence of:

Witness's Signature: .....

Witness's Name: Holly Brown.....

Witness's Address: Nationwide Building Society,.....  
Pipers Way, Swindon.....

**SIGNED** as a deed by )  
**THE LAW DEBENTURE TRUST** )  
**CORPORATION P.L.C.** )  
acting by: )

.....Richard Rane .....  
Director

.....Ellen Marchant.....  
Representing Law Debenture Corporate Services Limited as Secretary

**30 October 2020**

**NATIONWIDE BUILDING SOCIETY**

**and**

**THE LAW DEBENTURE TRUST  
CORPORATION P.L.C.**

**further modifying and restating the Trust Deed  
dated 17 April 1991 (as previously modified and  
restated) relating to the U.S.\$25,000,000,000  
European Note Programme established  
by Nationwide Building Society**

**THIRTY-FIRST  
SUPPLEMENTAL TRUST DEED**

**ALLEN & OVERY**

**Allen & Overy LLP**

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