

TWELFTH SUPPLEMENTAL INDENTURE

TWELFTH SUPPLEMENTAL INDENTURE, dated as of February 16, 2022 (this “Supplemental Indenture”), between NATIONWIDE BUILDING SOCIETY (the “Issuer”), and THE BANK OF NEW YORK MELLON, LONDON BRANCH, as Trustee and Paying Agent (the “Trustee”).

W I T N E S S E T H:

WHEREAS, the Issuer and the Trustee have executed and delivered an Indenture dated as of December 20, 2017 and as supplemented and amended prior to the date hereof (the “Base Indenture” and, together with this Supplemental Indenture, the “Indenture”), to provide for the issuance of the Issuer’s Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes;

WHEREAS, Section 8.1(g) of the Base Indenture provides that the Issuer and the Trustee may enter into a supplemental indenture to establish the form and terms of a series of Notes, without the consent of Holders;

WHEREAS, the Issuer desires to establish a series of Senior Non-Preferred Notes under the Base Indenture, designated as its \$750,000,000 Fixed-to-Floating Rate Senior Non-Preferred Notes due 2028 (such series of Senior Non-Preferred Notes, the “FXD-FRN 2028 Notes”) pursuant to this Supplemental Indenture and to issue the FXD-FRN 2028 Notes initially in the aggregate principal amount of \$750,000,000;

WHEREAS, the Issuer has requested and hereby directs that the Trustee join with the Issuer in the execution of this Supplemental Indenture; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid and binding instrument in accordance with the terms of the Indenture have been performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized.

NOW, THEREFORE, each party agrees as follows for the benefit of the other parties and the equal and ratable benefit of the Holders of the FXD-FRN 2028 Notes.

ARTICLE 1 DEFINITIONS

Section 1.1. Definition of Terms.

For all purposes of this Supplemental Indenture:

- (a) capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Base Indenture;
- (b) the terms defined in this Supplemental Indenture have the meanings assigned to them in this Supplemental Indenture and include the plural as well as the singular;
- (c) the section headings herein are for convenience only and shall not affect the construction of this Supplemental Indenture;

(d) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision;

ARTICLE 2

THE FXD-FRN 2028 Notes

Section 2.1. Establishment of Series.

A series of Senior Non-Preferred Notes, hereinafter referred to as the FXD-FRN 2028 Notes, is hereby established with the following terms:

(a) The title of the series shall be “Fixed-to-Floating Rate Senior Non-Preferred Notes due 2028”.

(b) The aggregate principal amount of the FXD-FRN 2028 Notes to be issued on the original issue date of the FXD-FRN 2028 Notes shall be \$750,000,000. The aggregate principal amount of the FXD-FRN 2028 Notes which may be authenticated and delivered under the Indenture (except for FXD-FRN 2028 Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other FXD-FRN 2028 Notes pursuant to Sections 3.4, 3.6, 8.6 or 10.8 of the Base Indenture) shall be unlimited (up to the aggregate principal amount of Notes from time to time authorized in writing by the Issuer).

(c) The original issue date of the FXD-FRN 2028 Notes shall be February 16, 2022.

(d) The date on which the principal of the FXD-FRN 2028 Notes shall be payable (the “Maturity Date”) is February 16, 2028.

(e) In the period from (and including) the original issue date to (but excluding) February 16, 2027 (such date the “Floating Rate Interest Commencement Date” and such period the “Fixed Rate Period”), the FXD-FRN 2028 Notes shall bear interest at a fixed rate per annum of 2.972% (the “Fixed Rate of Interest”) and in the period from and including the Floating Rate Interest Commencement Date to but excluding the Maturity Date (such period, the “Floating Rate Period”) the FXD-FRN 2028 Notes shall bear interest at the rate equal to the Floating Rate of Interest as determined pursuant to the provisions set forth on the reverse of the forms of the FXD-FRN 2028 Notes set forth in Annex A attached hereto.

(f) The Interest Payment Dates on which such interest on the FXD-FRN 2028 Notes shall be payable for interest accrued in the Fixed Rate Period, are February 16 and August 16 of each year, commencing August 16, 2022 and ending on the Floating Rate Interest Commencement Date (such dates the “Fixed Rate Period Interest Payment Dates”), and the Interest Payment Dates on which such interest on the FXD-FRN Notes for interest accrued in the Floating Rate Period are February 16, May 16, August 16 and November 16, commencing May 16, 2027 and ending on the Maturity Date (such dates the “Floating Rate Period Interest Payment Dates”).

(g) The Regular Record Dates for the interest payable on the FXD-FRN 2028 Notes on any Interest Payment Date shall be the 15th calendar day prior to such Interest Payment Date (whether or not a Business Day).

(h) London shall be an Additional Business Center applicable to the FXD-FRN 2028 Notes.

(i) Benchmark Replacement is applicable to the FXD-FRN 2028 Notes as set forth in the reverse of the forms of the FXD-FRN 2028 Notes.

(j) The Specified Currency of the FXD-FRN 2028 Notes is Dollars and the denominations in which the FXD-FRN 2028 Notes shall be issuable are \$200,000 and integral multiples of \$1,000 in excess thereof.

(k) Sections 10.9 and 10.11 of the Base Indenture shall be applicable to the FXD-FRN 2028 Notes. In addition, the FXD-FRN 2028 Notes may be redeemed in whole but not in part at the Issuer's option solely on, and not after, the Floating Rate Interest Commencement Date in accordance with the provisions set forth on the reverse of the forms of the FXD-FRN 2028 Notes

(l) The Calculation Agent for the FXD-FRN 2028 Notes shall be The Bank of New York Mellon.

(m) The FXD-FRN 2028 Notes shall initially be issued in whole in the form of Global Notes and the Depositary for such Global Notes shall be The Depositary Trust Company.

(n) The office or agency for the FXD-FRN 2028 Notes required by Section 9.2 of the Base Indenture shall be the Corporate Trust office of the Trustee. If Certificated Notes are issued in respect of the FXD-FRN 2028 Notes the office of the Trustee in New York, which at the date hereof is 240 Greenwich Street, New York, 10286, shall also be such an office or agency.

(o) Specific items in relation to Senior Non-Preferred Notes:

1. "Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption" and "Loss Absorption Disqualification Event: Full or Partial Exclusion" are applicable to the FXD-FRN 2028 Notes;
2. "Senior Non-Preferred Notes: Substitution and Variation" is applicable to the FXD-FRN 2028 Notes.

(p) 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 terms and conditions described under Section 3.11 of the Base Indenture.

Section 2.2. Forms of FXD-FRN 2028 Notes and Transfer Certificates.

The forms of the FXD-FRN 2028 Notes shall be substantially in the forms set forth in Annex A attached hereto, which are incorporated herein and made part hereof. The FXD-FRN 2028 Notes shall bear interest, be payable and have such other terms as are stated in said forms of FXD-FRN 2028 Notes and in the Base Indenture, as supplemented by this Supplemental Indenture. The forms of the Transfer Certificates in relation to the FXD-FRN 2028 Notes are attached hereto as Annex B and Annex C hereto.

ARTICLE 3
AMENDMENTS TO BASE INDENTURE

The following amendments to the Base Indenture shall apply only to the FRN 2028 Notes:

(a) Paragraphs (A) to (C) of Section 3.1(g)(xvii) of the Base Indenture shall each be replaced with “[reserved]”;

(b) References in the Base Indenture to “Restricted Default Senior Non-Preferred Notes” shall be replaced with “Senior Non-Preferred Notes”;

(c) The introductory paragraph to Section 5.3 of the Base Indenture shall be replaced with the following:

“This Section 5.3 applies only in respect of Subordinated Notes and Senior Non-Preferred Notes.”

ARTICLE 4
MISCELLANEOUS

Section 4.1. Effect of this Supplemental Indenture; Ratification and Integral Part.

This Supplemental Indenture shall become effective upon its execution and delivery.

Subject to Section 4.2 hereof, the Base Indenture is in all respects ratified and confirmed and all the terms, provisions and conditions thereof shall be and remain in full force and effect. This Supplemental Indenture shall be deemed an integral part of the Base Indenture in the manner and to the extent herein and therein provided.

Section 4.2. Priority.

This Supplemental Indenture shall be deemed part of the Base Indenture in the manner and to the extent herein and therein provided. The provisions of this Supplemental Indenture shall, with respect to the FXD-FRN 2028 Notes (including, for greater certainty, the provisions of the Global Notes) and subject to the terms hereof, supersede the provisions of the Base Indenture to the extent the Base Indenture is inconsistent herewith.

Section 4.3. Governing Law.

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 4.4. Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute one and the same instrument. The exchange of copies of this Supplemental Indenture and of signature pages that are executed by manual signatures that are scanned, photocopied or faxed or by other electronic signing created on an electronic platform (such as DocuSign) or by digital signing (such as Adobe Sign), in each case that is approved by the Trustee, shall constitute effective execution and delivery of this Supplemental Indenture for all purposes. Signatures of the parties hereto that are executed by manual signatures that are scanned, photocopied or faxed or by other electronic signing created on an electronic platform (such as DocuSign) or by digital signing (such as Adobe Sign), in each case that is approved by the Trustee, shall be deemed to be their original signatures for all purposes of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original.

Anything in the Base Indenture, this Supplemental Indenture or the Notes to the contrary notwithstanding, for the purposes of the transactions contemplated by the Base Indenture, this Supplemental Indenture, the Notes and any document to be signed in connection with the Base Indenture, this Supplemental Indenture or the Notes (including the Trustee's Certificate of Authentication on the Notes, amendments, waivers, consents and other modifications, Officer's Certificates, Company Requests and Opinions of Counsel and other issuance, authentication and delivery documents) or the transactions contemplated hereby may be signed by manual signatures that are scanned, photocopied or faxed or other electronic signatures created on an electronic platform (such as DocuSign) or by digital signature (such as Adobe Sign), in each case that is approved by the Trustee, and contract formations on electronic platforms approved by the Trustee, and the keeping of records in electronic form, are hereby authorized, and each shall be of the same legal effect, validity or enforceability as a manually executed signature in ink or the use of a paper-based recordkeeping system, as the case may be.

Section 4.5. Severability.

If any provision of this Supplemental Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.6. Recitals.

The recitals in this Supplemental Indenture are made by the Issuer and not by the Trustee and the Trustee assumes no responsibility for their correctness. The Trustee shall not be responsible for the validity or sufficiency of this Supplemental Indenture.

Section 4.7. Tax Matters.

In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Indenture in effect from time to time (the "Applicable Law") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer agrees (i) to provide to the Trustee sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee can determine whether it has tax related obligations under Applicable Law, (ii) that the Trustee shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Law for which the Trustee

shall not have any liability, and (iii) to hold harmless the Trustee for any losses it may suffer due to the actions it takes to comply with Applicable Law. The terms of this section shall survive the termination of the Indenture.

Section 4.8. Entire Agreement.

This Supplemental Indenture constitutes the entire agreement of the parties hereto with respect to the amendments to the Base Indenture set forth herein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the day and year first above written.

NATIONWIDE BUILDING SOCIETY

By: /s/Sarah Robinson
Title: *Duly Authorised*

By: /s/Ryan Jones
Title: *Duly Authorised*

**THE BANK OF NEW YORK MELLON,
LONDON BRANCH, as Trustee and Paying
Agent**

By: /s/Thomas Bolton
Title: *Duly Authorised*

ANNEX A

FORMS OF FXD-FRN 2028 Notes

FORM OF RULE 144A GLOBAL NOTE

THE SECURITIES EVIDENCED HEREBY (THE "NOTES") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THE NOTES, (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A")), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES EXCEPT (I) TO THE ISSUER OR ONE OR MORE PLACEMENT AGENTS FOR THE NOTES (EACH, A "PLACEMENT AGENT" AND COLLECTIVELY, THE "PLACEMENT AGENTS") OR BY, THROUGH OR IN A TRANSACTION APPROVED BY A PLACEMENT AGENT, (II) SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (III) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 (IF AVAILABLE), (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT OR (VI) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. THE HOLDER OF THE NOTES, BY PURCHASING THE NOTES, REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOTIFY ANY PURCHASER OF THE NOTES FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THE ISSUER SHALL HAVE THE RIGHT PRIOR TO ANY OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (VI) ABOVE, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ON SATISFACTION OF THE CONDITIONS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN.

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE THEREOF. TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART TO NOMINEES OF THE DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE OR TO THE DEPOSITARY BY A NOMINEE OF THE DEPOSITARY AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH HEREIN.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND THIS CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER ENTITY AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST

COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Nationwide Building Society

Fixed-to-Floating Rate Senior Non-Preferred Notes due 2028

Initial Principal Amount: \$[●]

Original Issue Date: February 16, 2022

Interest Commencement Date: Original Issue Date

Maturity Date: February 16, 2028

Fixed Rate Period: From and including the Interest Commencement Date to but excluding the Floating Rate Interest Commencement Date

Fixed Rate of Interest: 2.972% per annum

Fixed Rate Period Interest Payment Dates: February 16 and August 16 of each year, commencing August 16, 2022 and ending on the Floating Rate Interest Commencement Date

Floating Rate Interest Commencement Date: February 16, 2027

Floating Rate Period: From and including the Floating Rate Interest Commencement Date to but excluding the Maturity Date

Floating Rate Interest Reset Dates: February 16, May 16, August 16 and November 16

Floating Rate Period Interest Payment Dates: February 16, May 16, August 16 and November 16

Floating Rate Interest Basis: Compounded Daily SOFR

Margin: plus 129 basis points

Index Maturity: Not Applicable

Day Count Fraction: For the Fixed Rate Period 30/360 and for the Floating Rate Period Actual/360

Calculation Agent: The Bank of New York Mellon

Registered Number: [●]

CUSIP number: Restricted Global Note 63861VAF4

ISIN number: Restricted Global Note: US63861VAF40

NATIONWIDE BUILDING SOCIETY, a building society incorporated in England and Wales under the Building Societies Act 1986, as amended (herein called the "**Issuer**", which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to Cede & Co., or registered assigns, the Principal Amount set forth on the Schedule of Principal Amount attached hereto, on the Maturity Date set forth on the face hereof. In addition, the Issuer promises to pay interest on the Principal Amount set forth on the Schedule of Principal Amount attached hereto pursuant to the applicable provisions specified herein and in the Indenture from (and including) the Interest Commencement Date set forth on the face hereof, or from the most recent Interest Payment Date for which interest has been paid or duly provided for until the date the principal hereof is paid or made available for payment.

All payments on this Note will be made in Dollars and will be made by transfer of immediately available funds to an account of the Depositary or its nominee as designated by the Depositary or its nominee.

All payments on the Notes will be subject in all cases to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

THIS GLOBAL NOTE IS NOT A DEPOSIT AND IS NOT INSURED BY THE UNITED STATES FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY OF THE UNITED STATES OR THE UNITED KINGDOM.

In the event of any conflict between the provisions stated herein, or the provisions incorporated herein by reference and/or the provisions set forth on the face hereof, the provisions set forth on the face hereof will prevail.

Terms used in this Note and not defined herein shall have the meaning assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by the Trustee, directly or through an Authenticating Agent, by manual or electronic signature of an authorized signatory, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed.

NATIONWIDE BUILDING SOCIETY

By: _____

Name:

Title:

By: _____

Name:

Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series designated in and issued under the Indenture described herein.

Dated:

The Bank of New York Mellon, London Branch,
as Trustee

By: _____

[Reverse of Note]

This Note is one of a duly authorized issue of a series of notes designated on the face hereof of the Issuer (herein called the "**Notes**"), issued under the Indenture dated as of December 20, 2017, (the "**Indenture**"), between Nationwide Building Society, as the Issuer, and The Bank of New York Mellon, London Branch, as Trustee and Paying Agent (herein called the "**Trustee**", which term includes any successor to such Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Issuer, the Trustee, the Paying Agent and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Certain Definitions

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City or London.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time in accordance with any provision herein, the Day Count Fraction specified on the face hereof as calculated as follows:

- (A) **"30/360"** means the number of days in the period from (and including) the most recent Fixed Rate Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of twelve 30 day months) divided by 360;
- (B) **"Actual/360"** means the actual number of days in the relevant Floating Rate Interest Period divided by 360.

"deferred share investments" has the meaning ascribed thereto in the rules of the Issuer (and includes the Issuer's PIBS 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 by the Trustee and (ii) a dissolution of the Issuer by virtue of the amalgamation and transfer provisions set out in sections 93, 94 and 97 of the Building Societies Act 1986, as amended (the "**Act**"), or by virtue of a transfer pursuant to an order made under section 3 of the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, as amended (or any successor provisions thereto).

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

"Independent Adviser" means an independent financial institution of international repute or an independent adviser of recognized standing and with appropriate expertise (which may include the Calculation Agent) appointed by the Issuer at its own expense with notice in writing to the Trustee.

"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.

“**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 authorized 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 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 favorable to Holders than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent adviser of recognized 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 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 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 (but without prejudice to any acknowledgement of statutory resolution powers similar to “*—Agreement with Respect to the Exercise of UK Bail-in Power*”); and (6) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the Notes which has accrued to Holders and not been paid;
- (e) such securities are listed on the same stock exchange or market as the Notes or the London Stock Exchange or any EEA regulated market or any market in an OECD member state selected by the Issuer; and
- (f) where the 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 Notes (unless any downgrade is solely attributable to the ranking of the notes under (b) above).

a “**Loss Absorption Disqualification Event**” shall be deemed to have occurred in respect of the 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 Original Issue Date, the entire principal amount of the 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 Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer on the Issue Date of such series of the Notes.

“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 any other relevant authority 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 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).

“Material Subsidiary” means a Subsidiary of the Issuer who’s total assets (attributable to the Issuer) represent 10% or more of the Issuer's and its subsidiaries’ consolidated total assets (all as more particularly described in the Indenture).

“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).

“PIBS” means permanent interest bearing shares.

“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.

“Rating Agency” means any of S&P Global Ratings UK Limited, Moody’s Investors Service Limited and Fitch Ratings Limited and each of their respective affiliates or successors.

“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 other relevant authority.

“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.

“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.

“share investments” has the meaning ascribed thereto in the rules 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 PIBS.

“Supervisory Authority” means, from time to time, the Prudential Regulation Authority, the Bank of England and/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).

“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.

Status and Ranking

The Notes 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 Notes 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.

Waiver of Set-off

Subject to applicable law, no Holder or beneficial owner of Notes 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 Notes and each Holder or beneficial owner shall, by virtue of being the Holder or beneficial owner of any such Notes (or the holder of any interest therein), 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 Holder or beneficial owner of Notes against the Issuer is discharged by set-off, such Holder or beneficial owner of 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.

Interest

Interest During Fixed Rate Period

During the Fixed Rate Period the Notes shall bear interest on their outstanding principal amount from (and including) the Interest Commencement Date at the rate per annum equal to the Fixed Rate of Interest specified on the face hereof payable in arrear on the Fixed Rate Period Interest Payment Dates in each year specified on the face hereof (the period from (and including) the Interest Commencement Date to (but excluding) the first Fixed Rate Period Interest Payment Date (or the date for the redemption of the Notes, if applicable) and each successive period from (and including) a Fixed Rate Period Interest Payment Date to (but excluding) the next Fixed Rate Period Interest Payment Date (or the date for redemption of the Notes, if applicable) each a “**Fixed Rate Interest Period**”).

Interest during the Fixed Rate Period shall be calculated in respect of any Fixed Rate Interest Period by applying the Fixed Rate of Interest specified on the face herein to the nominal amount of the Fixed Rate Notes and multiplying such sum by the applicable Day Count Fraction in effect for such period and rounding the resultant figure to the nearest cent, with half or more of any cent being rounded upwards.

If any Fixed Rate Period Interest Payment Date or the date for redemption of the Notes (if prior to the Floating Rate Interest Commencement Date) falls on a day that is not a Business Day, the required payments of principal, premium, if any, and interest with respect to the Notes will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Fixed Rate Period Interest Payment Date or the date of Maturity, as the case may be, to the date of such payment on the next succeeding Business Day.

Interest During Floating Rate Period

During the Floating Rate Period, the Notes shall bear interest on their outstanding principal amount from (and including) the Floating Rate Interest Commencement Date at the rate equal to the Floating Rate of Interest hereof, which shall be determined as provided herein by reference to the Floating Rate Interest Basis specified on the face hereof plus the margin specified on the face hereof, payable in arrear on the Floating Rate Period Interest Payment Dates in each year specified on the face hereof (the period from (and including) the Floating Rate Interest Commencement Date to (but excluding) the first Floating Rate Period Interest Payment Date (or the date for redemption of the Notes, if applicable) and each successive period from (and including) a Floating Rate Period Interest Payment Date to (but excluding) the next

Floating Rate Period Interest Payment Date, the Maturity Date or date of for the redemption of the Notes, as applicable, each a “**Floating Rate Interest Period**”).

If any Floating Rate Period Interest Payment Date or the Maturity Date would otherwise fall on a day which is not a Business Day, then such Floating Rate Period Interest Payment Date or Maturity 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 Floating Rate Period Interest Payment Date or Maturity Date shall be brought forward to the immediately preceding Business Day.

The Floating Rate of Interest on the Notes during the Floating Rate Period will be reset quarterly (each such period, a “**Floating Rate Interest Reset Period**”) on the Floating Rate Interest Reset Dates specified on the face hereof. If any Floating Rate Interest Reset Date would otherwise be a day that is not a Business Day, such Floating Rate Interest Reset Date will be postponed to the next succeeding Business Day except that in the case such Floating Rate Business Day falls in the next succeeding calendar month, such Floating Rate Interest Reset Date will be the immediately preceding Business Day.

The Floating Rate of Interest applicable to each Floating Rate Interest Period will be the rate determined by the Calculation Agent as of the applicable Floating Rate Interest Determination Date, which shall be two US Government Securities Business Days before the relevant Floating Rate Interest Payment Date (or other date on which payment of interest falls due).

For purposes of determining the Floating Rate of Interest for each Floating Rate Interest Period, the Calculation Agent shall determine the Floating Rate Interest Basis in accordance with the following provisions:

“**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 Notes become due and payable in accordance with “*Events of Default*” below, shall be the date on which the Notes become due and payable).

“**Interest Period**” means the period from (and including) the Floating Rate Interest Commencement Date to (but excluding) the first Floating Rate Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date;

“**OBFR**” means, on a Floating Rate Period Interest Payment Date, the Overnight Bank Funding Rate that appears on the Federal Reserve’s website at 5:00 p.m. (New York time) for trades made on the related Floating Rate Interest Determination Date;

“**OBFR Index Cessation Date**” means, following the occurrence of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Calculation Agent.

“**OBFR Index Cessation Event**” means the occurrence of one or more of the following events:

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;

(ii) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or

(iii) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an “OBFR index cessation event” under the 2006 ISDA Definitions as published by ISDA.

“**SOFR**” means, with respect to any US Government Securities Business Day (and subject to “–*Benchmark discontinuation*”), the rate determined in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate that appears on the Federal Reserve’s website at 3:00 p.m. (New York time) on the immediately following US Government Securities Business Day;
- (ii) if the rate specified in paragraph (i) above does not so appear, and a SOFR Index Cessation Event has not occurred, then the Calculation Agent shall use the Secured Overnight Financing Rate published on the Federal Reserve’s website for the first preceding US Government Securities Business Day on which the Secured Overnight Financing Rate was published on the Federal Reserve’s website;
- (iii) if a SOFR Index Cessation Date has occurred, the Calculation Agent shall calculate SOFR as if references to SOFR were references to the rate that was recommended as (and notified by the Issuer to the Calculation Agent being the replacement for the Secured Overnight Financing Rate by 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 for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, and which rate may include any adjustments or spreads). If no such rate has been recommended within one US Government Securities Business Day of the SOFR Index Cessation Date, then the Calculation Agent shall use OBFR published on the Federal Reserve’s website for any Floating Rate Period Interest Payment Date after the SOFR Index Cessation Date; and
- (iv) if the Calculation Agent is required to use OBFR in paragraph (iii) above and an OBFR Index Cessation Date has occurred, then for any Floating Rate Period Interest Payment Date after such OBFR Index Cessation Date, the Calculation Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve’s website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve’s website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

“SOFR Index Cessation Date” means, following the occurrence of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used, in each case as certified in writing by the Issuer to the Calculation Agent.

“SOFR Index Cessation Event” means the occurrence of one or more of the following events:

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate;
- (ii) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or
- (iii) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as a “SOFR index cessation event” under the 2006 ISDA Definitions as published by ISDA.

“SOFR Reset Date” means each US Government Securities Business Day in the relevant Interest Accrual Period, other than any US Government Securities Business Day in the Lock-out Period

“US Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

With respect to any Floating Rate Interest Determination Date, the Rate of Interest for each Floating Rate Interest Period, subject as provided below, will be Compounded Daily SOFR plus the specified on the face hereof, 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 Secured Overnight Financing Rate as the interest rate basis for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**d**” is the number of calendar days in the relevant SOFR Observation Period;

“**d₀**” means, for any SOFR Observation Period, the number of US Government Securities Business Days in the relevant SOFR Observation Period;

“**i**” is a series of whole numbers from 1 to ‘**d₀**’, each representing the relevant US Government Securities Business Day in chronological order from, and including, the first US Government Securities Business Day in the relevant SOFR Observation Period;

“**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 US Government Securities Business Day ‘**i**’, means the number of calendar days from (and including) such US Government Securities Business Day ‘**i**’ up to (but excluding) the following US Government Securities Business Day;

“**p**” means two US Government Securities Business Days;

“**SOFR_i**” means the SOFR for the relevant US Government Securities Business Day ‘**i**’; and

“**SOFR Observation Period**” means the period from (and including) the date falling ‘**p**’ US Government Securities Business Days prior to the first day of the relevant Floating Rate Interest Period to (but excluding) the date falling ‘**p**’ US Government Securities Business Days prior to the Floating Rate Period Interest Payment Date for such Floating Rate Interest Period or the date on which the relevant payment of interest falls due.

SOFR Unavailable

Subject to “*Benchmark discontinuation*” below, if in respect of any US 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 US 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 above, but without prejudice to “*Benchmark discontinuation*” below, the rate of interest shall be that determined as at the last preceding Floating Rate Interest Determination Date on which the interest rate was so determined. If there is no such preceding Floating Rate Interest Determination Date, the rate of interest shall be equal to the Fixed Rate of Interest.

Determination of Rate of Interest and calculation of Interest Amount; Percentages

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 Floating Rate Interest Period.

The Calculation Agent will calculate the amount of interest (each an “**Interest Amount**”) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the aggregate outstanding nominal amount of the notes and multiplying such sum by the Day Count Fraction. The resultant figure will be rounded to the nearest cent (with one half cent being rounded up).

All percentages resulting from any calculation on the Notes will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five or more one millionths of a percentage point rounded upwards (e.g., 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655)).

If the Notes become due and payable during the Floating Rate Interest Period in accordance with “*Events of Default*” below, 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 the Indenture.

Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Period Interest Payment Date to be notified to the Issuer and the Trustee and to any listing authority, stock exchange and/or quotation system to which the Notes have then been admitted to listing, trading and/or quotation and to be published 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 Floating Rate Period 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 Floating Rate 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 Notes have then been admitted to listing, trading and/or quotation and to the holders in accordance with the Indenture.

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 subsection, whether by the Paying Agent or the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on us, the Paying Agent, the Calculation Agent, the Trustee, any other paying agents and all holders and (in the absence of wilful default, bad faith or manifest error) no liability to us or the holders shall attach to the Paying Agent, 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.

Benchmark Discontinuation

If the Issuer determines on or prior to the relevant Floating Rate Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the following provisions shall apply.

- (a) If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to the Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.
- (b) In connection with the implementation of a Benchmark Replacement with respect to the Notes, the Issuer will have the right to make Benchmark Replacement Conforming Changes with respect to the Notes from time to time.
- (c) At the Issuer’s request, but subject to receipt by the Trustee of a certificate signed by two of the Issuer’s authorized signatories pursuant to the provisions below, the Trustee shall (at the Issuer’s expense), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Replacement

Conforming Changes (including, *inter alia*, by the execution of a supplemental indenture to or amending the Indenture) 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 (i) expose the Trustee, the Calculation Agent or the Paying Agent, as applicable, to any liability against which the relevant entity has not been indemnified or secured or pre-funded to its satisfaction or (ii) 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 terms and conditions or the Indenture (including, for the avoidance of doubt, any supplemental indenture) in any way.

- (d) In connection with any such variation in accordance with the provisions in this subsection, 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.
- (e) The Issuer shall notify the Trustee, the Calculation Agent, the Paying Agents and, in accordance with the subsection “*Notices, etc.*” below the Holders, promptly of any Benchmark Replacement and Benchmark Replacement Adjustment as well the specific terms of any Benchmark Replacement Conforming Changes, determined pursuant to the provisions of this subsection “*Benchmark Discontinuation*”. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.
- (f) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorized signatories:
 - (1) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement, (iii) the applicable Benchmark Replacement Adjustment and (iv) the specific terms of the Benchmark Replacement Conforming Changes (if any), in each case as determined in accordance with the provisions of this sub section; and
 - (2) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and the applicable Benchmark Replacement Adjustment.
- (g) The Trustee shall be entitled to rely on such certificate (without inquiry or liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the applicable Benchmark Replacement Adjustment and Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error in the determination of the Benchmark Replacement and the applicable Benchmark Replacement Adjustment and the Benchmark Replacement Conforming Changes (if any) and without prejudice to the Trustee’s ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Holders.

Definitions

“**Benchmark**” means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement.

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

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR notes, as applicable, 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:

- (1) 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, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) 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 any SOFR notes at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR notes (including changes to the definition of “interest period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the interest period and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR notes 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 determines is reasonably necessary).

“Benchmark Replacement Date” means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event” below, 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 relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event” below, the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Issuer may give written notice to holders of any SOFR notes in which the Issuer designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

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

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

“Federal Reserve Bank of New York’s website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this base prospectus).

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

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

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 2:00 p.m. (London time) on the day that is two London Banking Days preceding the date of such determination and (2) if the Benchmark is not SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

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

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- (a) For the avoidance of doubt, the Issuer may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this subsection are satisfied.

Notices, etc.

The Issuer shall notify the Trustee, the Calculation Agent, the Paying Agents and, in accordance with this sub-section “-*Notices, etc.*”, the Holders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this section. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of the section above “—*Benchmark Discontinuation*”;
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread; and
- (C) 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.
- (D) The Trustee shall be entitled to rely on such certificate (without inquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee’s

ability to rely on such certificate as aforesaid) be binding on us, the Trustee, the Calculation Agent, the Paying Agents and the Holders.

Eligible liabilities

Notwithstanding any other provision of this section “—*Benchmark discontinuation*”, no Benchmark Replacement or Benchmark Replacement Adjustment will be adopted, nor will any Benchmark Replacement Conforming Changes be effected, if and to the extent that, in our determination, the same could reasonably be expected either (i) to prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of any Loss Absorption Regulations or (ii) to result in the relevant Supervisory Authority treating any Floating Interest Period Interest Payment Date as the effective maturity date of the Notes, rather than the Maturity Date.

Payment of Additional Amounts

In the event of any deduction or other withholding for or on account of any present or future tax, assessment, duty or other governmental charge of any nature whatsoever imposed, levied or collected by or on behalf of the United Kingdom, or any political subdivision thereof or authority therein having power to tax, in respect of any payments in respect of any of the Notes the Issuer will (subject as follows) pay to the Holder of any Notes such additional amounts (“**Additional Amounts**”) as may be necessary in order that every net payment of the interest on the Notes, will not be less than the amount provided for in the Notes as then due and payable. However, the Issuer will not pay any such Additional Amounts in respect of any principal of (including premium or final redemption amount or Early Redemption Amount, if any, or other amount payable in respect thereof) the Notes.

Furthermore, no such Additional Amounts shall be payable on the Notes for or on account of any tax, assessment, duty or other governmental charge which is payable:

- (1) otherwise than by deduction or withholding from any payments of interest on the Notes;
- (2) by reason of the Holder or beneficial owner of Notes who is liable for such taxes having some connection with the United Kingdom (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in the United Kingdom) other than by the mere holding of Notes or enforcement of rights hereunder or the receipt of payments in respect hereof;
- (3) by reason of a change in law or official practice of any relevant taxing authority that becomes effective more than 30 days after the Relevant Date for payment of interest in respect of the Notes;
- (4) by reason of any estate, excise, inheritance, gift, sales, transfer, wealth, personal property tax or any similar assessment or governmental charge;
- (5) as a result of the failure of a Holder or beneficial owner of Notes to satisfy any statutory requirements or make a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
- (6) owing to a combination of clauses (1) through (4) above; or
- (7) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

“Relevant Date” means the date on which the payment of principal (including premium or final redemption amount or early redemption amount, if any, or other amount payable in respect thereof) or interest on the Notes first becomes due and payable but, if the full amount of the monies payable on such date has not been received by the relevant Paying Agent or as it shall have directed on or prior to such date, the **“Relevant Date”** means the date on which such monies shall have been so received.

No Additional Amounts will be paid as provided above with respect to any payment of interest on the Notes to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of Notes.

Redemption, Repurchase Substitution and Variation of Notes

Redemption for Tax Reasons

If the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that a Tax Event has occurred and the Issuer cannot avoid the same by taking reasonable measures available to it, then the Issuer may in its sole discretion (and in accordance with the provisions described under *“—Preconditions to Redemption, Purchase, Substitution or Variation of the Notes”*), having given notice of not more than 30 days nor less than 15 days prior to the date of redemption in accordance with the applicable provisions of the Indenture, redeem at any time during the Fixed Rate Period or on any Floating Rate Period Interest Payment Date during the Floating Rate Period all (but not some only) of the Notes at their Early Redemption Amount as provided below together, if applicable, with interest accrued to (but excluding) the date fixed for redemption.

Prior to the publication of any notice of early redemption pursuant to the provisions set forth above, the Issuer shall deliver to the Trustee a certificate signed by any two authorized signatories of the Issuer confirming that the relevant circumstances above have occurred and are continuing. The Trustee shall be entitled, without liability to any person, to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Holders.

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 Notes, the Issuer has paid or will or would on the next payment date be required to pay any Additional Amounts as described under *“Payment of Additional Amounts”* above;
- (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 Notes in computing its taxation liabilities or the amount of such deduction is or will be materially reduced;
- (iii) the 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 Original Issue Date 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 Original Issue Date.

Redemption at the Issuer’s Option

The Notes will be redeemable at the option of the Issuer (but subject to compliance with the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*”) in whole but not in part on the Floating Rate Interest Commencement Date at 100% of their principal amount plus accrued and unpaid interest to (but excluding) the date of redemption subject to notice being given not more than 30 days, nor less than 15 days, prior to the date of redemption in accordance with the applicable provisions of the Indenture.

Loss Absorption Disqualification Event Redemption of Senior Non-Preferred Notes

Subject to compliance with the provisions described under “—*Preconditions to redemption, purchase, substitution or variation of the Notes*”, the Issuer may, in its sole discretion, if a Loss Absorption Disqualification Event has occurred, upon not more than 30 days nor less than 15 days notice made in accordance with the applicable provisions of the Indenture, redeem at any time during the Fixed Rate Period or on any Floating Rate Period Interest Payment Date during the Floating Rate Interest Period all (but not some only) of the Notes at their Early Redemption Amount as provided below together, if applicable, with interest accrued to (but excluding) the date fixed for redemption.

Prior to the publication of any notice of early redemption pursuant to the paragraph above, the Issuer shall deliver to the Trustee a certificate signed by any two authorized 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 such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Holders. Upon the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

Early Redemption Amounts

For the purposes of redemption for tax reasons or following a Loss Absorption Disqualification Event and for the purposes of redemption in the circumstances specified in “*Events of Default – (b) Winding up or dissolution*” below, the “**Early Redemption Amount**” for the Notes will be 100% of their principal amount (and premium, if any, thereon).

Repurchase

The Issuer may (subject to compliance with the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*” and prevailing Loss Absorption Regulations) at any time purchase Notes at any price or prices in the open market or otherwise. Notes so purchased may be held or resold or, at the Issuer’s discretion, notes may be surrendered to the Trustee for cancellation.

Preconditions to Redemption, Purchase, Substitution or Variation of the Notes

Any redemption or purchase prior to the Maturity Date, or substitution or variation of the Notes prior to the Maturity Date in accordance with any applicable subsection of this section “*Redemption, Repurchase, Substitution and Variation of the Notes*” 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 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 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 authorization.

Substitution and Variation in Respect of the Notes

Upon the occurrence of a Loss Absorption Disqualification Event, the Issuer (in its sole discretion but subject to the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*”), upon not more than 30 days nor less than 15 days notice made in accordance with the applicable provisions of the Indenture, may, without any requirement for the consent or approval of the Holders, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes 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 Notes.

In connection with any substitution or variation in accordance with this provision, the Issuer shall comply with the rules of any stock exchange on which the relevant 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 the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*”;
- (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 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 authorized signatories of the Issuer stating that the Loss Absorption Disqualification Event giving rise to the right to substitute or vary the Notes has occurred as at the date of the certificate and that the conditions set out (A) and (B) immediately above have been satisfied and the Trustee shall be entitled to accept such certificate as sufficient evidence thereof, and such

certificate shall be conclusive and binding on the Trustee and all Holders and beneficial owners of Notes.

The Trustee shall, subject to the Issuer's compliance with the foregoing conditions and the provision of the certificate signed by two authorized 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 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 impose, in the Trustee's sole determination, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its sole satisfaction.

Agreement with Respect to the Exercise of UK Bail-in Power

Notwithstanding, and to the exclusion of, any other term of any notes or any other agreements, arrangements or understandings between the Issuer and any Holders and beneficial owners of Notes (or the Trustee on behalf of any Holder or beneficial owner of Notes), by its acquisition of any Note (or any interest therein), each Holder and each beneficial owner of Notes 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:

- a) 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:
 - i. the reduction of all, or a portion, of the Amounts Due;
 - ii. 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 Holder or beneficial owner of Notes 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;
 - iii. the cancellation of the Notes; and/or
 - iv. 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
- b) the variation of the terms of the Notes and the Indenture, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.

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.

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 Indenture nor a default or event of default for any other purpose.

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 Holders and to the Trustee and the Paying Agents. Any delay or failure by the Issuer in delivering any notice referred to in this section “—*Agreement with Respect to the Exercise of UK Bail-in Power*” shall not affect the validity or enforceability of the UK Bail-in Power.

For the purposes of this section “—*Agreement with Respect to the Exercise of UK Bail-in Power*”:

- a) “**Amounts Due**” means the principal amount of, any premium on, 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;
- b) “**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; and
- c) “**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.

By its acquisition of the Notes, each Holder and beneficial owner of Notes waives any and all claims against the Trustee for, agrees not to initiate a suit against the Trustee in respect of, and agrees that the Trustee will not be liable for, any action that the Trustee takes, or abstains from taking, in either case in accordance with the exercise of the UK Bail-in Power by the relevant Resolution Authority with respect to the Notes.

Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer will provide a written notice to DTC as soon as practicable regarding such exercise of the UK Bail-in Power for purposes of notifying Holders and beneficial owners of Notes of such occurrence. The Issuer will also deliver a copy of such notice to the Trustee for information purposes.

The Issuer’s obligations to indemnify the Trustee shall survive the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes.

By its acquisition of the Notes, each Holder and beneficial owner of Notes acknowledges and agrees that, upon the exercise of any UK Bail-in Power by the relevant Resolution Authority with respect to the Notes, (a) the Trustee shall not be required to take any further directions from Holders of the Notes and (b) the Indenture shall impose no duties upon the Trustee whatsoever with respect to the exercise of any UK Bail-in Power by the relevant Resolution Authority. Notwithstanding the foregoing, if, following the completion of the exercise of the UK Bail-in Power by the Resolution Authority, any Notes remain

outstanding (for example, if the exercise of the UK Bail-in Power results in only a partial write-down of the principal of the Notes), then the Trustee's duties under the Indenture shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Trustee shall agree pursuant to another supplemental indenture or an amendment to the Indenture; provided, however, that notwithstanding the exercise of the UK Bail-in Power by the Resolution Authority, there shall at all times be a Trustee for the Notes in accordance with the Indenture, and the resignation and/or removal of the Trustee and the appointment of a successor trustee will continue to be governed by the Indenture, including to the extent no additional supplemental indenture or amendment is agreed upon in the event the Notes remain outstanding following the completion of the exercise of the UK Bail-in Power.

By its acquisition of the Notes, each Holder and beneficial owner of Notes (a) acknowledges and agrees to be bound by and consents to the exercise of any UK Bail-in Power as it may be imposed without any prior notice by the Resolution Authority of its decision to exercise such power with respect to the Notes and (b) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds Notes to take any and all necessary action, if required, to implement the exercise of any UK Bail-in Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such Holder, beneficial owner or the Trustee.

Events of Default

- (a) *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 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 Indenture in so far as it relates to the Notes, but may take no other action in respect of such default (except as provided in paragraph (b) below).
- (b) *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 paragraph (a) above, 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 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 with accrued interest as provided herein and in the Indenture, and shall claim and/or prove in such winding up or dissolution in respect of the Notes (such claim ranking as provided in “—*Status and Ranking*” above).
- (c) *Enforcement:* Without prejudice to paragraphs (a) and (b) above, 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 Indenture or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Indenture, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) provided that 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 the Indenture, nor will the Trustee accept the same, otherwise than during or after a winding up or dissolution of the Issuer.

- (d) *Rights of Holders:* No Holder 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) itself 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 held by such Holder.
- (e) *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 or the Holders for the recovery of amounts owing in respect of the Notes or under the Indenture in so far as it relates to the Notes.
- (f) *Rights of the Trustee:* The Trustee may at its discretion institute such proceedings as are contemplated by this section and the Indenture against the Issuer to enforce the obligations of the Issuer under the Indenture in so far as it relates to the Notes, but it shall not be bound to institute any such proceedings unless (a) it shall have been so requested in writing by Holders 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.

Waivers

The Holders of not less than a majority in aggregate principal amount of the Outstanding Notes may waive, on behalf of the Holders of all the Notes, compliance by the Issuer with section 9.4 of the Indenture. The Holders of a majority in aggregate principal amount of the Outstanding Notes may waive on behalf of the Holders of all the Notes, any past default under the Indenture and its consequences, except a default in the payment of principal of (or premium, if any, on) or interest, if any, on any of the Notes or with respect to a covenant or provision which under the Indenture cannot be modified or amended without the consent of the Holder of each Outstanding Note.

The Indenture contains provisions permitting the Issuer and the Trustee (i) without the consent of the Holders to execute supplemental indentures for certain enumerated purposes, such as to cure any ambiguity or inconsistency or to make any change that does not have a materially adverse effect on the rights of any Holder, and (ii) with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of Holders of Notes; provided, that, with respect to certain provisions of the Indenture, no such supplemental indenture may be entered into without the consent of the Holder of each Outstanding Note affected thereby.

In addition, the Issuer and the Trustee may modify and amend the Indenture, without the further consent of Holders, to the extent necessary to give effect to the exercise by the relevant UK resolution authority of the UK bail-in power.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall (other than in respect of any exercise of the UK bail-in power) alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of (and premium, if any, on) and interest, if any, on this Note (including any Additional Amounts payable in accordance with the terms of this Note and the Indenture) at the times, places and rates, and in the coin or currency, specified herein. However, the Indenture limits the Holder's right to enforce the Indenture and this Note. This paragraph is without prejudice to any exercise of the UK bail-in power in respect of the Issuer and/or the Notes, and to the agreement of the holders of the Notes to be bound thereby.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee and the Paying Agent and any agent of the Issuer, the Trustee or the Paying Agent may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and none of the Issuer, the Trustee, the Paying Agent or any agent of the Issuer, the Trustee or the Paying Agent shall be affected by notice to the contrary.

Governing Law

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York, except that (other than in respect of the Trustee's own rights, duties and immunities) Section 12.1 of the Indenture, and the corresponding ranking provisions, respectively, in Section 3.1 of the Indenture and in the terms of the Notes, will be governed by the construed in accordance with the laws of England, with the intention that such provisions be given full effect in any Insolvency proceeding relating to the Issuer in England.

Each of the Issuer and the Trustee, and each Holder and beneficial owner of a Note by its acceptance thereof, hereby irrevocably waives, to the fullest extent permitted by appliance law, any and all right it may have to trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Indenture, the Notes or the transactions contemplated thereby.

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 terms and conditions described in the Indenture.

SCHEDULE I

SCHEDULE OF PRINCIPAL AMOUNT

The initial Principal Amount of this Note shall be \$[●]. The following increases or decreases in the Principal Amount of this Note have been made:

Date of Decrease	Increase in Principal Amount at Maturity	Decrease in Principal Amount at Maturity	Total Principal Amount at Maturity Following such Increase or Decrease	Notation made by or on behalf of Trustee

EXHIBIT A

FORM OF TRANSFER¹

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER

IDENTIFYING NUMBER OF ASSIGNEE

/ _____ / _____

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF
ASSIGNEE

the within Note and all rights thereunder, hereby

irrevocably constituting and appointing _____

attorney to transfer said Note on the books of the Issuer, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the
within instrument in every particular, without alteration or enlargement or any change whatever

¹ This Form of Transfer may also be used to effect an exchange in accordance with the procedures described in the
Note to which the Form of Transfer is attached.

FORM OF REGULATION S GLOBAL NOTE

THE SECURITIES EVIDENCED HEREBY (THE "NOTES") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE THEREOF. TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART TO NOMINEES OF THE DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE OR TO THE DEPOSITARY BY A NOMINEE OF THE DEPOSITARY AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH HEREIN.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND THIS CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER ENTITY AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Nationwide Building Society

Fixed-to-Floating Rate Senior Non-Preferred Notes due 2028

Initial Principal Amount: \$[●]

Original Issue Date: February 16, 2022

Interest Commencement Date: Original Issue Date

Maturity Date: February 16, 2028

Fixed Rate Period: From and including the Interest Commencement Date to but excluding the Floating Rate Interest Commencement Date

Fixed Rate of Interest: 2.972% per annum

Fixed Rate Period Interest Payment Dates: February 16 and August 16 of each year, commencing August 16, 2022 and ending on the Floating Rate Interest Commencement Date

Floating Rate Interest Commencement Date: February 16, 2027

Floating Rate Period: From and including the Floating Rate Interest Commencement Date to but excluding the Maturity Date

Floating Rate Interest Reset Dates: February 16, May 16, August 16 and November 16

Floating Rate Period Interest Payment Dates: February 16, May 16, August 16 and November 16

Floating Rate Interest Basis: Compounded Daily SOFR

Margin: plus 129 basis points

Index Maturity: Not Applicable

Day Count Fraction: For the Fixed Rate Period 30/360 and for the Floating Rate Period Actual/360

Calculation Agent: The Bank of New York Mellon

Registered Number: [●]

CUSIP number: Non-Restricted Global Note: 63861WAF2

ISIN number: Non-Restricted Global Note: US63861WAF23

NATIONWIDE BUILDING SOCIETY, a building society incorporated in England and Wales under the Building Societies Act 1986, as amended (herein called the "**Issuer**", which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to Cede & Co., or registered assigns, the Principal Amount set forth on the Schedule of Principal Amount attached hereto, on the Maturity Date set forth on the face hereof. In addition, the Issuer promises to pay interest on the Principal Amount set forth on the Schedule of Principal Amount attached hereto pursuant to the applicable provisions specified herein and in the Indenture from (and including) the Interest Commencement Date set forth on the face hereof, or from the most recent Interest Payment Date for which interest has been paid or duly provided for until the date the principal hereof is paid or made available for payment.

All payments on this Note will be made in Dollars and will be made by transfer of immediately available funds to an account of the Depositary or its nominee as designated by the Depositary or its nominee.

All payments on the Notes will be subject in all cases to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

THIS GLOBAL NOTE IS NOT A DEPOSIT AND IS NOT INSURED BY THE UNITED STATES FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY OF THE UNITED STATES OR THE UNITED KINGDOM.

In the event of any conflict between the provisions stated herein, or the provisions incorporated herein by reference and/or the provisions set forth on the face hereof, the provisions set forth on the face hereof will prevail.

Terms used in this Note and not defined herein shall have the meaning assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by the Trustee, directly or through an Authenticating Agent, by manual or electronic signature of an authorized signatory, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed.

NATIONWIDE BUILDING SOCIETY

By: _____

Name:

Title:

By: _____

Name:

Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series designated in and issued under the Indenture described herein.

Dated:

The Bank of New York Mellon, London Branch,
as Trustee

By: _____

[Reverse of Note]

This Note is one of a duly authorized issue of a series of notes designated on the face hereof of the Issuer (herein called the "**Notes**"), issued under the Indenture dated as of December 20, 2017, (the "**Indenture**"), between Nationwide Building Society, as the Issuer, and The Bank of New York Mellon, London Branch, as Trustee and Paying Agent (herein called the "**Trustee**", which term includes any successor to such Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Issuer, the Trustee, the Paying Agent and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

Certain Definitions

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in New York City or London.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time in accordance with any provision herein, the Day Count Fraction specified on the face hereof as calculated as follows:

- (A) **"30/360"** means the number of days in the period from (and including) the most recent Fixed Rate Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of twelve 30 day months) divided by 360;
- (B) **"Actual/360"** means the actual number of days in the relevant Floating Rate Interest Period divided by 360.

"deferred share investments" has the meaning ascribed thereto in the rules of the Issuer (and includes the Issuer's PIBS 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 by the Trustee and (ii) a dissolution of the Issuer by virtue of the amalgamation and transfer provisions set out in sections 93, 94 and 97 of the Building Societies Act 1986, as amended (the "**Act**"), or by virtue of a transfer pursuant to an order made under section 3 of the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, as amended (or any successor provisions thereto).

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

"Independent Adviser" means an independent financial institution of international repute or an independent adviser of recognized standing and with appropriate expertise (which may include the Calculation Agent) appointed by the Issuer at its own expense with notice in writing to the Trustee.

"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.

“**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 authorized 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 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 favorable to Holders than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent adviser of recognized 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 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 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 (but without prejudice to any acknowledgement of statutory resolution powers similar to “*—Agreement with Respect to the Exercise of UK Bail-in Power*”); and (6) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the Notes which has accrued to Holders and not been paid;
- (e) such securities are listed on the same stock exchange or market as the Notes or the London Stock Exchange or any EEA regulated market or any market in an OECD member state selected by the Issuer; and
- (f) where the 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 Notes (unless any downgrade is solely attributable to the ranking of the notes under (b) above).

a “**Loss Absorption Disqualification Event**” shall be deemed to have occurred in respect of the 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 Original Issue Date, the entire principal amount of the 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 Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer on the Issue Date of such series of the Notes.

“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 any other relevant authority 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 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).

“Material Subsidiary” means a Subsidiary of the Issuer who’s total assets (attributable to the Issuer) represent 10% or more of the Issuer's and its subsidiaries’ consolidated total assets (all as more particularly described in the Indenture).

“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).

“PIBS” means permanent interest bearing shares.

“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.

“Rating Agency” means any of S&P Global Ratings UK Limited, Moody’s Investors Service Limited and Fitch Ratings Limited and each of their respective affiliates or successors.

“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 other relevant authority.

“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.

“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.

“share investments” has the meaning ascribed thereto in the rules 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 PIBS.

“Supervisory Authority” means, from time to time, the Prudential Regulation Authority, the Bank of England and/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).

“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.

Status and Ranking

The Notes 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 Notes 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.

Waiver of Set-off

Subject to applicable law, no Holder or beneficial owner of Notes 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 Notes and each Holder or beneficial owner shall, by virtue of being the Holder or beneficial owner of any such Notes (or the holder of any interest therein), 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 Holder or beneficial owner of Notes against the Issuer is discharged by set-off, such Holder or beneficial owner of 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.

Interest

Interest During Fixed Rate Period

During the Fixed Rate Period the Notes shall bear interest on their outstanding principal amount from (and including) the Interest Commencement Date at the rate per annum equal to the Fixed Rate of Interest specified on the face hereof payable in arrear on the Fixed Rate Period Interest Payment Dates in each year specified on the face hereof (the period from (and including) the Interest Commencement Date to (but excluding) the first Fixed Rate Period Interest Payment Date (or the date for the redemption of the Notes, if applicable) and each successive period from (and including) a Fixed Rate Period Interest Payment Date to (but excluding) the next Fixed Rate Period Interest Payment Date (or the date for redemption of the Notes, if applicable) each a “**Fixed Rate Interest Period**”).

Interest during the Fixed Rate Period shall be calculated in respect of any Fixed Rate Interest Period by applying the Fixed Rate of Interest specified on the face herein to the nominal amount of the Fixed Rate Notes and multiplying such sum by the applicable Day Count Fraction in effect for such period and rounding the resultant figure to the nearest cent, with half or more of any cent being rounded upwards.

If any Fixed Rate Period Interest Payment Date or the date for redemption of the Notes (if prior to the Floating Rate Interest Commencement Date) falls on a day that is not a Business Day, the required payments of principal, premium, if any, and interest with respect to the Notes will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Fixed Rate Period Interest Payment Date or the date of Maturity, as the case may be, to the date of such payment on the next succeeding Business Day.

Interest During Floating Rate Period

During the Floating Rate Period, the Notes shall bear interest on their outstanding principal amount from (and including) the Floating Rate Interest Commencement Date at the rate equal to the Floating Rate of Interest hereof, which shall be determined as provided herein by reference to the Floating Rate Interest Basis specified on the face hereof plus the margin specified on the face hereof, payable in arrear on the Floating Rate Period Interest Payment Dates in each year specified on the face hereof (the period from (and including) the Floating Rate Interest Commencement Date to (but excluding) the first Floating Rate

Period Interest Payment Date (or the date for redemption of the Notes, if applicable) and each successive period from (and including) a Floating Rate Period Interest Payment Date to (but excluding) the next Floating Rate Period Interest Payment Date, the Maturity Date or date of for the redemption of the Notes, as applicable, each a “**Floating Rate Interest Period**”).

If any Floating Rate Period Interest Payment Date or the Maturity Date would otherwise fall on a day which is not a Business Day, then such Floating Rate Period Interest Payment Date or Maturity 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 Floating Rate Period Interest Payment Date or Maturity Date shall be brought forward to the immediately preceding Business Day.

The Floating Rate of Interest on the Notes during the Floating Rate Period will be reset quarterly (each such period, a “**Floating Rate Interest Reset Period**”) on the Floating Rate Interest Reset Dates specified on the face hereof. If any Floating Rate Interest Reset Date would otherwise be a day that is not a Business Day, such Floating Rate Interest Reset Date will be postponed to the next succeeding Business Day except that in the case such Floating Rate Business Day falls in the next succeeding calendar month, such Floating Rate Interest Reset Date will be the immediately preceding Business Day.

The Floating Rate of Interest applicable to each Floating Rate Interest Period will be the rate determined by the Calculation Agent as of the applicable Floating Rate Interest Determination Date, which shall be two US Government Securities Business Days before the relevant Floating Rate Interest Payment Date (or other date on which payment of interest falls due).

For purposes of determining the Floating Rate of Interest for each Floating Rate Interest Period, the Calculation Agent shall determine the Floating Rate Interest Basis in accordance with the following provisions:

“**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 Notes become due and payable in accordance with “*Events of Default*” below, shall be the date on which the Notes become due and payable).

“**Interest Period**” means the period from (and including) the Floating Rate Interest Commencement Date to (but excluding) the first Floating Rate Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date;

“OBFR” means, on a Floating Rate Period Interest Payment Date, the Overnight Bank Funding Rate that appears on the Federal Reserve's website at 5:00 p.m. (New York time) for trades made on the related Floating Rate Interest Determination Date;

“OBFR Index Cessation Date” means, following the occurrence of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Calculation Agent.

“OBFR Index Cessation Event” means the occurrence of one or more of the following events:

- (i) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;
- (ii) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- (iii) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an “OBFR index cessation event” under the 2006 ISDA Definitions as published by ISDA.

“SOFR” means, with respect to any US Government Securities Business Day (and subject to “*Benchmark discontinuation*”), the rate determined in accordance with the following provisions:

- (i) the Secured Overnight Financing Rate that appears on the Federal Reserve’s website at 3:00 p.m. (New York time) on the immediately following US Government Securities Business Day;
- (ii) if the rate specified in paragraph (i) above does not so appear, and a SOFR Index Cessation Event has not occurred, then the Calculation Agent shall use the Secured Overnight Financing Rate published on the Federal Reserve’s website for the first preceding US Government Securities Business Day on which the Secured Overnight Financing Rate was published on the Federal Reserve’s website;
- (iii) if a SOFR Index Cessation Date has occurred, the Calculation Agent shall calculate SOFR as if references to SOFR were references to the rate that was recommended as (and notified by the Issuer to the Calculation Agent being the replacement for the Secured Overnight Financing Rate by 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 for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, and which rate may include any

adjustments or spreads). If no such rate has been recommended within one US Government Securities Business Day of the SOFR Index Cessation Date, then the Calculation Agent shall use OBFR published on the Federal Reserve's website for any Floating Rate Period Interest Payment Date after the SOFR Index Cessation Date; and

- (iv) if the Calculation Agent is required to use OBFR in paragraph (iii) above and an OBFR Index Cessation Date has occurred, then for any Floating Rate Period Interest Payment Date after such OBFR Index Cessation Date, the Calculation Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

“SOFR Index Cessation Date” means, following the occurrence of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used, in each case as certified in writing by the Issuer to the Calculation Agent.

“SOFR Index Cessation Event” means the occurrence of one or more of the following events:

- (iv) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate;
- (v) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or
- (vi) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as a “SOFR index cessation event” under the 2006 ISDA Definitions as published by ISDA.

“SOFR Reset Date” means each US Government Securities Business Day in the relevant Interest Accrual Period, other than any US Government Securities Business Day in the Lock-out Period

“US Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

With respect to any Floating Rate Interest Determination Date, the Rate of Interest for each Floating Rate Interest Period, subject as provided below, will be Compounded Daily SOFR plus the specified on the face hereof, 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 Secured Overnight Financing Rate as the interest rate basis for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**d**” is the number of calendar days in the relevant SOFR Observation Period;

“**d₀**” means, for any SOFR Observation Period, the number of US Government Securities Business Days in the relevant SOFR Observation Period;

“**i**” is a series of whole numbers from 1 to ‘d₀’, each representing the relevant US Government Securities Business Day in chronological order from, and including, the first US Government Securities Business Day in the relevant SOFR Observation Period;

“**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 US Government Securities Business Day ‘i’, means the number of calendar days from (and including) such US Government Securities Business Day ‘i’ up to (but excluding) the following US Government Securities Business Day;

“**p**” means two US Government Securities Business Days;

“**SOFR_i**” means the SOFR for the relevant US Government Securities Business Day ‘i’; and

“**SOFR Observation Period**” means the period from (and including) the date falling ‘p’ US Government Securities Business Days prior to the first day of the relevant Floating Rate Interest Period to (but excluding) the date falling ‘p’ US Government Securities Business Days prior to the Floating Rate Period Interest Payment Date for such Floating Rate Interest Period or the date on which the relevant payment of interest falls due.

SOFR Unavailable

Subject to “*Benchmark discontinuation*” below, if in respect of any US 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 US 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 above, but without prejudice to “*Benchmark discontinuation*” below, the rate of interest shall be that

determined as at the last preceding Floating Rate Interest Determination Date on which the interest rate was so determined. If there is no such preceding Floating Rate Interest Determination Date, the rate of interest shall be equal to the Fixed Rate of Interest.

Determination of Rate of Interest and calculation of Interest Amount; Percentages

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 Floating Rate Interest Period.

The Calculation Agent will calculate the amount of interest (each an “**Interest Amount**”) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the aggregate outstanding nominal amount of the notes and multiplying such sum by the Day Count Fraction. The resultant figure will be rounded to the nearest cent (with one half cent being rounded up).

All percentages resulting from any calculation on the Notes will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five or more one millionths of a percentage point rounded upwards (e.g., 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655)).

If the Notes become due and payable during the Floating Rate Interest Period in accordance with “*Events of Default*” below, 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 the Indenture.

Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Period Interest Payment Date to be notified to the Issuer and the Trustee and to any listing authority, stock exchange and/or quotation system to which the Notes have then been admitted to listing, trading and/or quotation and to be published 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 Floating Rate Period 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 Floating Rate 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 Notes have then been admitted to listing, trading and/or quotation and to the holders in accordance with the Indenture.

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 subsection, whether by the Paying Agent or the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on us, the Paying Agent, the Calculation Agent, the Trustee, any other paying agents and all holders and (in the absence of wilful default, bad faith or manifest error) no liability to us or the holders shall attach to the Paying Agent, 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.

Benchmark Discontinuation

If the Issuer determines on or prior to the relevant Floating Rate Interest Determination Date that a Benchmark Transition Event has occurred with respect to SOFR, then the following provisions shall apply.

- (a) If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to the Notes, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.
- (b) In connection with the implementation of a Benchmark Replacement with respect to the Notes, the Issuer will have the right to make Benchmark Replacement Conforming Changes with respect to the Notes from time to time.
- (c) At the Issuer's request, but subject to receipt by the Trustee of a certificate signed by two of the Issuer's authorized signatories pursuant to the provisions below, the Trustee shall (at the Issuer's expense), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a supplemental indenture to or amending the Indenture) 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 (i) expose the Trustee, the Calculation Agent or the Paying Agent, as applicable, to any liability against which the relevant entity has not been indemnified or secured or pre-funded to its satisfaction or (ii) 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 terms and conditions or the Indenture (including, for the avoidance of doubt, any supplemental indenture) in any way.
- (d) In connection with any such variation in accordance with the provisions in this subsection, 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.
- (e) The Issuer shall notify the Trustee, the Calculation Agent, the Paying Agents and, in accordance with the subsection "*Notices, etc.*" below the Holders, promptly of any Benchmark Replacement and Benchmark Replacement Adjustment as well the specific terms of any Benchmark Replacement Conforming Changes, determined pursuant to the provisions of this subsection "*Benchmark Discontinuation*". Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.
- (f) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorized signatories:
 - (1) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement, (iii) the applicable Benchmark Replacement Adjustment and (iv) the specific terms of the Benchmark Replacement

Conforming Changes (if any), in each case as determined in accordance with the provisions of this sub section; and

- (2) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and the applicable Benchmark Replacement Adjustment.
- (g) The Trustee shall be entitled to rely on such certificate (without inquiry or liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the applicable Benchmark Replacement Adjustment and Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error in the determination of the Benchmark Replacement and the applicable Benchmark Replacement Adjustment and the Benchmark Replacement Conforming Changes (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Holders.

Definitions

"Benchmark" means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

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

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any SOFR notes, as applicable, 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:

- (1) 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, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (1) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (2) 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 any SOFR notes at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any SOFR notes (including changes to the definition of “interest period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the interest period and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any SOFR notes 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 determines is reasonably necessary).

“Benchmark Replacement Date” means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event” below, 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 relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event” below, the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Issuer may give written notice to holders of any SOFR notes in which the Issuer designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

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

such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

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

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

“Federal Reserve Bank of New York’s website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this base prospectus).

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

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

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 2:00 p.m. (London time) on the day that is two London Banking Days preceding the date of such determination and (2) if the Benchmark is not SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes.

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

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- (a) For the avoidance of doubt, the Issuer may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this subsection are satisfied.

Notices, etc.

The Issuer shall notify the Trustee, the Calculation Agent, the Paying Agents and, in accordance with this sub-section “-Notices, etc.”, the Holders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this section.

Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of the section above “—*Benchmark Discontinuation*”;
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread; and
- (C) 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.
- (D) The Trustee shall be entitled to rely on such certificate (without inquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee’s ability to rely on such certificate as aforesaid) be binding on us, the Trustee, the Calculation Agent, the Paying Agents and the Holders.

Eligible liabilities

Notwithstanding any other provision of this section “—*Benchmark discontinuation*”, no Benchmark Replacement or Benchmark Replacement Adjustment will be adopted, nor will any Benchmark Replacement Conforming Changes be effected, if and to the extent that, in our determination, the same could reasonably be expected either (i) to prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of any Loss Absorption Regulations or (ii) to result in the relevant Supervisory Authority treating any Floating Interest Period Interest Payment Date as the effective maturity date of the Notes, rather than the Maturity Date.

Payment of Additional Amounts

In the event of any deduction or other withholding for or on account of any present or future tax, assessment, duty or other governmental charge of any nature whatsoever imposed, levied or collected by or on behalf of the United Kingdom, or any political subdivision thereof or authority therein having power to tax, in respect of any payments in respect of any of the Notes the Issuer will (subject as follows) pay to the Holder of any Notes such additional amounts (“**Additional Amounts**”) as may be necessary in order that every net payment of the interest on the Notes, will not be less than the amount provided for in the Notes as then due and payable. However, the Issuer will not pay any such Additional Amounts in respect of any principal of (including premium or final redemption amount or Early Redemption Amount, if any, or other amount payable in respect thereof) the Notes.

Furthermore, no such Additional Amounts shall be payable on the Notes for or on account of any tax, assessment, duty or other governmental charge which is payable:

- (1) otherwise than by deduction or withholding from any payments of interest on the Notes;
- (2) by reason of the Holder or beneficial owner of Notes who is liable for such taxes having some connection with the United Kingdom (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in the United Kingdom) other than by the mere holding of Notes or enforcement of rights hereunder or the receipt of payments in respect hereof;
- (3) by reason of a change in law or official practice of any relevant taxing authority that becomes effective more than 30 days after the Relevant Date for payment of interest in respect of the Notes;
- (4) by reason of any estate, excise, inheritance, gift, sales, transfer, wealth, personal property tax or any similar assessment or governmental charge;
- (5) as a result of the failure of a Holder or beneficial owner of Notes to satisfy any statutory requirements or make a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
- (6) owing to a combination of clauses (1) through (4) above; or
- (7) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

“**Relevant Date**” means the date on which the payment of principal (including premium or final redemption amount or early redemption amount, if any, or other amount payable in respect thereof) or interest on the Notes first becomes due and payable but, if the full amount of the monies payable on such date has not been received by the relevant Paying Agent or as it shall have directed on or prior to such date, the “**Relevant Date**” means the date on which such monies shall have been so received.

No Additional Amounts will be paid as provided above with respect to any payment of interest on the Notes to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of Notes.

Redemption, Repurchase Substitution and Variation of Notes

Redemption for Tax Reasons

If the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that a Tax Event has occurred and the Issuer cannot avoid the same by taking reasonable measures available to it, then the Issuer may in its sole discretion (and in accordance with the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*”), having given notice of not more than 30 days nor less than 15 days prior to the date of redemption in accordance with the applicable provisions of the Indenture, redeem at any time during the Fixed Rate Period or on any Floating Rate Period Interest Payment Date during the Floating Rate Period all (but not some only) of the Notes at their Early Redemption Amount as provided below together, if applicable, with interest accrued to (but excluding) the date fixed for redemption.

Prior to the publication of any notice of early redemption pursuant to the provisions set forth above, the Issuer shall deliver to the Trustee a certificate signed by any two authorized signatories of the Issuer confirming that the relevant circumstances above have occurred and are continuing. The Trustee shall be entitled, without liability to any person, to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Holders.

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 Notes, the Issuer has paid or will or would on the next payment date be required to pay any Additional Amounts as described under “*Payment of Additional Amounts*” above;
- (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 Notes in computing its taxation liabilities or the amount of such deduction is or will be materially reduced;
- (iii) the 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 Original Issue Date 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 Original Issue Date.

Redemption at the Issuer’s Option

The Notes will be redeemable at the option of the Issuer (but subject to compliance with the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*”) in whole but not in part on the Floating Rate Interest Commencement Date at 100% of their principal amount plus accrued and unpaid interest to (but excluding) the date of redemption subject to notice being given not more than 30 days, nor less than 15 days, prior to the date of redemption in accordance with the applicable provisions of the Indenture.

Loss Absorption Disqualification Event Redemption of Senior Non-Preferred Notes

Subject to compliance with the provisions described under “—*Preconditions to redemption, purchase, substitution or variation of the Notes*”, the Issuer may, in its sole discretion, if a Loss Absorption Disqualification Event has occurred, upon not more than 30 days nor less than 15 days notice made in accordance with the applicable provisions of the Indenture, redeem at any time during the Fixed Rate Period or on any Floating Rate Period Interest Payment Date during the Floating Rate Interest Period all

(but not some only) of the Notes at their Early Redemption Amount as provided below together, if applicable, with interest accrued to (but excluding) the date fixed for redemption.

Prior to the publication of any notice of early redemption pursuant to the paragraph above, the Issuer shall deliver to the Trustee a certificate signed by any two authorized 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 such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Holders. Upon the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

Early Redemption Amounts

For the purposes of redemption for tax reasons or following a Loss Absorption Disqualification Event and for the purposes of redemption in the circumstances specified in “*Events of Default – (b) Winding up or dissolution*” below, the “**Early Redemption Amount**” for the Notes will be 100% of their principal amount (and premium, if any, thereon).

Repurchase

The Issuer may (subject to compliance with the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*” and prevailing Loss Absorption Regulations) at any time purchase Notes at any price or prices in the open market or otherwise. Notes so purchased may be held or resold or, at the Issuer’s discretion, notes may be surrendered to the Trustee for cancellation.

Preconditions to Redemption, Purchase, Substitution or Variation of the Notes

Any redemption or purchase prior to the Maturity Date, or substitution or variation of the Notes prior to the Maturity Date in accordance with any applicable subsection of this section “*Redemption, Repurchase, Substitution and Variation of the Notes*” 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 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 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 authorization.

Substitution and Variation in Respect of the Notes

Upon the occurrence of a Loss Absorption Disqualification Event, the Issuer (in its sole discretion but subject to the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or*

Variation of the Notes”), upon not more than 30 days nor less than 15 days notice made in accordance with the applicable provisions of the Indenture, may, without any requirement for the consent or approval of the Holders, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes 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 Notes.

In connection with any substitution or variation in accordance with this provision, the Issuer shall comply with the rules of any stock exchange on which the relevant 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 the provisions described under “—*Preconditions to Redemption, Purchase, Substitution or Variation of the Notes*”;
- (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 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 authorized signatories of the Issuer stating that the Loss Absorption Disqualification Event giving rise to the right to substitute or vary the Notes has occurred as at the date of the certificate and that the conditions set out (A) and (B) immediately above have been satisfied and the Trustee shall be entitled to accept such certificate as sufficient evidence thereof, and such certificate shall be conclusive and binding on the Trustee and all Holders and beneficial owners of Notes.

The Trustee shall, subject to the Issuer’s compliance with the foregoing conditions and the provision of the certificate signed by two authorized 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 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 impose, in the Trustee’s sole determination, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its sole satisfaction.

Agreement with Respect to the Exercise of UK Bail-in Power

Notwithstanding, and to the exclusion of, any other term of any notes or any other agreements, arrangements or understandings between the Issuer and any Holders and beneficial owners of Notes (or the Trustee on behalf of any Holder or beneficial owner of Notes), by its acquisition of any Note (or any interest therein), each Holder and each beneficial owner of Notes 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:

- a) 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:
 - i. the reduction of all, or a portion, of the Amounts Due;

- ii. 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 Holder or beneficial owner of Notes 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;
 - iii. the cancellation of the Notes; and/or
 - iv. 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
- b) the variation of the terms of the Notes and the Indenture, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.

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.

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 Indenture nor a default or event of default for any other purpose.

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 Holders and to the Trustee and the Paying Agents. Any delay or failure by the Issuer in delivering any notice referred to in this section “—*Agreement with Respect to the Exercise of UK Bail-in Power*” shall not affect the validity or enforceability of the UK Bail-in Power.

For the purposes of this section “—*Agreement with Respect to the Exercise of UK Bail-in Power*”:

- a) “**Amounts Due**” means the principal amount of, any premium on, 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;
- b) “**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; and
- c) “**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.

By its acquisition of the Notes, each Holder and beneficial owner of Notes waives any and all claims against the Trustee for, agrees not to initiate a suit against the Trustee in respect of, and agrees that the Trustee will not be liable for, any action that the Trustee takes, or abstains from taking, in either case in accordance with the exercise of the UK Bail-in Power by the relevant Resolution Authority with respect to the Notes.

Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer will provide a written notice to DTC as soon as practicable regarding such exercise of the UK Bail-in Power for purposes of notifying Holders and beneficial owners of Notes of such occurrence. The Issuer will also deliver a copy of such notice to the Trustee for information purposes.

The Issuer's obligations to indemnify the Trustee shall survive the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes.

By its acquisition of the Notes, each Holder and beneficial owner of Notes acknowledges and agrees that, upon the exercise of any UK Bail-in Power by the relevant Resolution Authority with respect to the Notes, (a) the Trustee shall not be required to take any further directions from Holders of the Notes and (b) the Indenture shall impose no duties upon the Trustee whatsoever with respect to the exercise of any UK Bail-in Power by the relevant Resolution Authority. Notwithstanding the foregoing, if, following the completion of the exercise of the UK Bail-in Power by the Resolution Authority, any Notes remain outstanding (for example, if the exercise of the UK Bail-in Power results in only a partial write-down of the principal of the Notes), then the Trustee's duties under the Indenture shall remain applicable with respect to the Notes following such completion to the extent that the Issuer and the Trustee shall agree pursuant to another supplemental indenture or an amendment to the Indenture; provided, however, that notwithstanding the exercise of the UK Bail-in Power by the Resolution Authority, there shall at all times be a Trustee for the Notes in accordance with the Indenture, and the resignation and/or removal of the Trustee and the appointment of a successor trustee will continue to be governed by the Indenture, including to the extent no additional supplemental indenture or amendment is agreed upon in the event the Notes remain outstanding following the completion of the exercise of the UK Bail-in Power.

By its acquisition of the Notes, each Holder and beneficial owner of Notes (a) acknowledges and agrees to be bound by and consents to the exercise of any UK Bail-in Power as it may be imposed without any prior notice by the Resolution Authority of its decision to exercise such power with respect to the Notes and (b) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds Notes to take any and all necessary action, if required, to implement the exercise of any UK Bail-in Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such Holder, beneficial owner or the Trustee.

Events of Default

- (a) *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 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 Indenture in so far as it relates to the Notes, but may take no other action in respect of such default (except as provided in paragraph (b) below).

- (b) *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 paragraph (a) above, 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 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 with accrued interest as provided herein and in the Indenture, and shall claim and/or prove in such winding up or dissolution in respect of the Notes (such claim ranking as provided in “—*Status and Ranking*” above).
- (c) *Enforcement:* Without prejudice to paragraphs (a) and (b) above, 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 Indenture or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Indenture, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) provided that 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 the Indenture, nor will the Trustee accept the same, otherwise than during or after a winding up or dissolution of the Issuer.
- (d) *Rights of Holders:* No Holder 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) itself 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 held by such Holder.
- (e) *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 or the Holders for the recovery of amounts owing in respect of the Notes or under the Indenture in so far as it relates to the Notes.
- (f) *Rights of the Trustee:* The Trustee may at its discretion institute such proceedings as are contemplated by this section and the Indenture against the Issuer to enforce the obligations of the Issuer under the Indenture in so far as it relates to the Notes, but it shall not be bound to institute any such proceedings unless (a) it shall have been so requested in writing by Holders 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.

Waivers

The Holders of not less than a majority in aggregate principal amount of the Outstanding Notes may waive, on behalf of the Holders of all the Notes, compliance by the Issuer with section 9.4 of the Indenture. The Holders of a majority in aggregate principal amount of the Outstanding Notes may waive on behalf of the Holders of all the Notes, any past default under the Indenture and its consequences, except a default in the payment of principal of (or premium, if any, on) or interest, if any, on any of the Notes or with respect to a covenant or provision which under the Indenture cannot be modified or amended without the consent of the Holder of each Outstanding Note.

The Indenture contains provisions permitting the Issuer and the Trustee (i) without the consent of the Holders to execute supplemental indentures for certain enumerated purposes, such as to cure any ambiguity or inconsistency or to make any change that does not have a materially adverse effect on the rights of any Holder, and (ii) with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of Holders of Notes; provided, that, with respect to certain provisions of the Indenture, no such supplemental indenture may be entered into without the consent of the Holder of each Outstanding Note affected thereby.

In addition, the Issuer and the Trustee may modify and amend the Indenture, without the further consent of Holders, to the extent necessary to give effect to the exercise by the relevant UK resolution authority of the UK bail-in power.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall (other than in respect of any exercise of the UK bail-in power) alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of (and premium, if any, on) and interest, if any, on this Note (including any Additional Amounts payable in accordance with the terms of this Note and the Indenture) at the times, places and rates, and in the coin or currency, specified herein. However, the Indenture limits the Holder's right to enforce the Indenture and this Note. This paragraph is without prejudice to any exercise of the UK bail-in power in respect of the Issuer and/or the Notes, and to the agreement of the holders of the Notes to be bound thereby.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee and the Paying Agent and any agent of the Issuer, the Trustee or the Paying Agent may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and none of the Issuer, the Trustee, the Paying Agent or any agent of the Issuer, the Trustee or the Paying Agent shall be affected by notice to the contrary.

Governing Law

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York, except that (other than in respect of the Trustee's own rights, duties and immunities) Section 12.1 of the Indenture, and the corresponding ranking provisions, respectively, in Section 3.1 of the Indenture and in the terms of the Notes, will be governed by the construed in accordance with the laws of England, with the intention that such provisions be given full effect in any Insolvency proceeding relating to the Issuer in England.

Each of the Issuer and the Trustee, and each Holder and beneficial owner of a Note by its acceptance thereof, hereby irrevocably waives, to the fullest extent permitted by appliance law, any and all right it may have to trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Indenture, the Notes or the transactions contemplated thereby.

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 terms and conditions described in the Indenture.

SCHEDULE I

SCHEDULE OF PRINCIPAL AMOUNT

The initial Principal Amount of this Note shall be \$[●]. The following increases or decreases in the Principal Amount of this Note have been made:

Date of Decrease	Increase in Principal Amount at Maturity	Decrease in Principal Amount at Maturity	Total Principal Amount at Maturity such Following Increase or Decrease	Notation made by or on behalf of Trustee

EXHIBIT A

FORM OF TRANSFER²

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER

IDENTIFYING NUMBER OF ASSIGNEE

/ _____ / _____

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF
ASSIGNEE

the within Note and all rights thereunder, hereby

irrevocably constituting and appointing _____

attorney to transfer said Note on the books of the Issuer, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the
within instrument in every particular, without alteration or enlargement or any change whatever

² This Form of Transfer may also be used to effect an exchange in accordance with the procedures described in the
Note to which the Form of Transfer is attached.

ANNEX B

RESTRICTED GLOBAL NOTE TO NON-RESTRICTED GLOBAL NOTE TRANSFER CERTIFICATE

[DATE]

To: The Bank of New York Mellon, London Branch
Nationwide Building Society

NATIONWIDE BUILDING SOCIETY (the **Issuer**)

\$750,000,000 Fixed-to-Floating Rate Senior Non-Preferred Notes due 2028(the **Notes**)

Reference is made to the Indenture dated as of December 20, 2017 between Nationwide Building Society, and The Bank of New York Mellon, London Branch as Trustee and Paying Agent (the **Trustee**), as supplemented and amended from time to time (the **Indenture**). Terms defined in the Indenture shall have the same meanings when used in this Certificate unless otherwise stated.

This certificate relates to [*insert Specified Currency and nominal amount of Notes*] of Notes which are held in the form of beneficial interests in one or more Notes represented by a Restricted Global Note (CUSIP No. [*specify*]) in the name of [*transferor*] (the **Transferor**). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in Notes represented by a Non-Restricted Global Note.

In connection therewith, the Transferor certifies that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Notes and in accordance with any applicable securities laws of the United States of America, any state of the United States of America or any other jurisdiction and any applicable rules and regulations of DTC, Euroclear and Clearstream, Luxembourg from time to time and, accordingly, the Transferor certifies as follows:

Either (check one)

- ☐ (i) (a) the offer of the Notes was not made to a person in the United States;
- (b) either (i) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on the Transferor's behalf knows that the transaction was pre-arranged with a transferee in the United States or (ii) the transferee is outside the United States, or the Transferor and any person acting on its behalf reasonably believes that the transferee is outside the United States;
- (c) no directed selling efforts have been made in contravention of the requirement of Rule 903(b) or 904(b) of Regulation S, as applicable;
- (d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act (terms used in this paragraph that are defined in Regulation S under the Securities Act are used herein as defined therein); and
- (e) if the transfer occurs prior to the termination of the distribution compliance period applicable to the Notes, the Notes to be transferred will be held immediately thereafter through Euroclear or Clearstream, in each case as a participant in DTC.

Or

☐ (ii) the transfer is being made in accordance with the requirements of Rule 144 under the Securities Act.

This certificate and the statements contained herein are made for the benefit of the addressees hereof and for the benefit of the dealers of the Notes.

[Insert name of Transferor]

By:

Name:

Title:

Dated:

SIGNATURE GUARANTEE: _____

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (**STAMP**) or such other “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

ANNEX C

**NON-RESTRICTED GLOBAL NOTE TO RESTRICTED GLOBAL NOTE TRANSFER
CERTIFICATE**

[DATE]

To: The Bank of New York Mellon, London Branch
Nationwide Building Society

NATIONWIDE BUILDING SOCIETY (the Issuer)

\$750,000,000 Fixed-to-Floating Rate Senior Non-Preferred Notes due 2028 (the **Notes**)

Reference is made to the dated as of December 20, 2017 between Nationwide Building Society, and The Bank of New York Mellon, London Branch, as Trustee and Paying Agent (the **Trustee**) as supplemented and amended from time to time (the **Indenture**). Terms defined in the Indenture shall have the same meanings when used in this Certificate unless otherwise stated.

This certificate relates to [*insert Specified Currency and nominal amount of Notes*] of Notes which are held in the form of beneficial interests in one or more Notes represented by a Global Note that is not a Restricted Global Note (ISIN No. [*specify*]) in the name of [*transferor*] (the **Transferor**). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in Notes represented by a Restricted Global Note.

In connection therewith, the Transferor certifies that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Notes and in accordance with any applicable securities laws of the United States of America, any state of the United States of America or any other jurisdiction and any applicable rules and regulations of DTC, Euroclear and Clearstream, Luxembourg from time to time and, accordingly, the Transferor certifies as follows:

Such Notes are being transferred in accordance with Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**), to a transferee that the Transferor reasonably believes is purchasing the Notes for its own account or any account with respect to which the transferee and any such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for the benefit of the addressees hereof and for the benefit of the dealers of the Notes.

[*Insert name of Transferor*]

By:

Name:

Title:

Dated: