

**CONFORMED COPY**

**TRUST DEED**

**20 DECEMBER 2019**

**Between**

**M&G PLC  
the Issuer**

**and**

**THE LAW DEBENTURE TRUST CORPORATION p.l.c.  
the Trustee**

**relating to a  
£10,000,000,000  
Medium Term Note Programme**

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**THIS TRUST DEED** is made on 20 December 2019

**BETWEEN:**

- (1) **M&G PLC**, a company incorporated with limited liability in England and Wales, whose registered office is at 10 Fenchurch Avenue, London, EC3M 5AG, England (the **Issuer**); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated with limited liability in England and Wales, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (the **Trustee**, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Holders and the Couponholders (each as defined below).

**WHEREAS:**

- (A) The establishment and update of the Programme (as defined below) was authorised pursuant to resolutions of the Board of Directors of the Issuer at a meeting held on 20 September 2019 and by attorneys acting under a Power of Attorney, made pursuant to resolutions of the Board of Directors at the meeting held on 20 September 2019, dated 11 October 2019. Notes up to a maximum nominal amount (calculated in accordance with Clause 3.33 of the Dealership Agreement (as defined below)) from time to time outstanding of £10,000,000,000 (subject to increase as provided in the Dealership Agreement) (the **Programme Limit**) may be issued pursuant to the said Programme.
- (B) The Trustee has agreed to act as trustee of the Notes upon and subject to the terms and conditions of these presents.

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

**1. DEFINITIONS**

- 1.1 In these presents unless there is anything in the subject or context inconsistent therewith the following expressions shall have the following meanings:

**Agency Agreement** means the agreement dated 20 December 2019, as amended and/or supplemented and/or restated from time to time, pursuant to which the Issuer has appointed the Issue and Paying Agent, the other Paying Agents and the Registrar in relation to all or any Series of the Notes and any other agreement for the time being in force appointing further or other Paying Agents or another Issue and Paying Agent or Registrar in relation to all or any Series of the Notes, or in connection with their duties, the terms of which have previously been approved in writing by the Trustee, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements;

**Appointee** means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;

**Arrears of Interest** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Assets** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Auditors** means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated by the Issuer and approved by the

Trustee or, failing such nomination and/or approval, as may be nominated by the Trustee, in each case for the purposes of these presents;

**Authorised Person** means (a) any Director of the Issuer or (b) any person authorised by the resolutions passed by the Board of Directors of the Issuer on 20 September 2019 or (c) any person who may from time to time be authorised by the Board of Directors of the Issuer and notified in writing to the Trustee as being authorised to approve, enter into, sign or deliver any document or instrument in connection with the Programme and under these presents;

**Bearer Global Note** means a Temporary Global Note and/or a Permanent Global Note, as the context may require;

**Bearer Notes** means those of the Notes which are in bearer form;

**Capital Regulations** has the meaning set out in Condition 24 of the Tier 2 Notes;

**CGN** means a Temporary Global Note or a Permanent Global Note, each in the form set out in the Schedule 2, and in either case in respect of which the applicable Final Terms specify is not a new global note;

**Clearstream, Luxembourg** means Clearstream Banking S.A., a limited liability company organised under Luxembourg law;

**common safekeeper** means an ICSD in its capacity as a common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper;

**Conditions** means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out (in the case of Senior Notes) in Part 1 of Schedule 1 or (in the case of Tier 2 Notes) in Part 2 of Schedule 1 or in any such case in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Final Terms applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of these presents and references in these presents to a particular numbered Condition shall be construed accordingly;

**Coupon** means an interest coupon appertaining to a Definitive Bearer Note (other than a Zero Coupon Note), such coupon being:

- (a) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Part 4A of the Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s); or
- (b) if appertaining to a Floating Rate Note or a Reset Note, in the form or substantially in the form set out in Part 4B of the Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s); or
- (c) if appertaining to a Definitive Bearer Note which is neither a Fixed Rate Note nor a Floating Rate Note nor a Reset Note, in such form as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 11 of the Senior Notes or Condition 18 of the Tier 2 Notes, as the case may be;

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

**CREST** means the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited, in accordance with the CREST Regulations;

**CREST Regulations** means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);

**Dealers** means Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and NatWest Markets plc and any other entity which the Issuer may appoint as a Dealer and notice of whose appointment has been given to the Issue and Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Dealership Agreement but excluding any entity whose appointment has been terminated in accordance with the provisions of the Dealership Agreement and notice of which termination has been given to the Issue and Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Dealership Agreement and references to a **relevant Dealer** or **relevant Dealer(s)** mean, in relation to any Tranche or Series of Notes, the Dealer or Dealers with whom the Issuer has agreed the issue of the Notes of such Tranche or Series and **Dealer** means any one of them;

**Dealership Agreement** means the agreement of even date herewith between the Issuer, Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and NatWest Markets plc and the other Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating or modifying such agreement;

**Definitive Bearer Note** means a Bearer Note in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) in exchange for either a Temporary Global Note or part thereof or a Permanent Global Note (all as indicated in the applicable Final Terms), such Bearer Note in definitive form being in the form or substantially in the form set out in Part 3 of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note in bearer form) having Coupons and, where appropriate, Talons attached thereto on issue;

**Definitive Note** means a Definitive Bearer Note and/or, as the context may require, a Definitive Registered Note;

**Definitive Registered Note** means a Registered Note in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the Dealer(s), the Agency Agreement and these presents in exchange for a Registered Global Note (all as indicated in the applicable Final Terms), such Registered Note in definitive form being in the form or substantially in the form set out in Part 7 of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where

applicable to this Trust Deed) as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having a Form of Transfer endorsed thereon;

**DTC** means The Depository Trust Company at its office at 55 Water Street, New York, NY 10041, United States of America;

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

**Eurosystem-eligible NGN** means a NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as notified by the Issuer to the common safekeeper;

**Event of Default** means (a) (in the case of Senior Notes) any of the conditions, events or acts set out in Condition 10 being, events upon the happening of which the Senior Notes of any Series would, subject only to notice by the Trustee as therein provided, become immediately due and repayable; and (b) (in the case of Tier 2 Notes) a Default (as defined in Condition 24) or any of the events set out in Condition 17(b) being events upon the happening of which the Tier 2 Notes of any Series would, subject only to notice by the Trustee as therein provided, become immediately due and repayable;

**Expense** means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any amount in respect of irrecoverable value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

**Extraordinary Resolution** has the meaning ascribed thereto in paragraph 20 of the Schedule 3;

**FCA** means the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000;

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

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

**Floating Rate Note** means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or 12-monthly or in respect of such other period or on such date(s) as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

**Form of Transfer** means the form of transfer endorsed on a Definitive Registered Note in the form or substantially in the form set out in Part 7 of the Schedule 2;

**Global Note** means a Temporary Global Note and/or a Permanent Global Note and/or a Regulation S Global Note and/or a Rule 144A Global Note, as the context may require;

**Holders** means the several persons who are for the time being holders of outstanding Notes (being, in the case of Bearer Notes, the bearers thereof and, in the case of Registered Notes, the several persons whose names are entered in the register of holders of the Registered Notes as the holders thereof) save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Temporary Global Note, a Permanent Global Note or a Regulation S Global Note deposited with a common depository for Euroclear and Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Rule 144A Registered Global Note, each person

who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) or, as the case may be, DTC as the holder of a particular nominal amount of the Notes of such Series shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such nominal amount of such Notes and, in the case of DTC or its nominee, voting, giving consents and making requests pursuant to these presents, the rights to which shall be vested, as against the Issuer and the Trustee, solely in such common safekeeper or, as the case may be, DTC or its nominee and for which purpose such common safekeeper or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the provisions of these presents and the expressions **holder** and **holder of Notes** and related expressions shall be construed accordingly;

**Holding Company** means any company which is for the time being a holding company (within the meaning of Section 1159 of the Companies Act 2006);

**interest** includes Arrears of Interest;

**Interest Commencement Date** means, in the case of interest-bearing Notes, the date specified in the applicable Final Terms from (and including) which such Notes bear interest, which may or may not be the Issue Date;

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

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

**Issue and Paying Agent** means, in relation to all or any Series of the Notes, Citibank, N.A., London Branch at its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or, if applicable, any Successor issue and paying agent;

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

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

**Liabilities** has the meaning set out in Condition 24 of the Tier 2 Notes;

**London Business Day** has the meaning set out in Condition 5B.8 (of the Senior Notes) and Condition 24 (of the Tier 2 Notes) (as applicable);

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

**Maturity Date** means the date on which a Note is expressed to be redeemable;

**Minimum Capital Requirement** has the meaning set out in Condition 24 of the Tier 2 Notes;

**month** means calendar month;

**NGN** means a Temporary Global Note or a Permanent Global Note, each in the form set out in the Schedule 2, and in either case in respect of which the applicable Final Terms specify is a new global note;

**Non-eligible NGN** means a NGN which is not intended to be held in a manner which would allow Eurosystem eligibility, as notified by the Issuer to the common safekeeper;

**Note** means a note issued pursuant to the Programme and denominated in such currency or currencies as may be agreed between the Issuer and the relevant Dealer(s) which:

- (a) has such maturity as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant currency; and
- (b) has such denomination as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency,

issued or to be issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and these presents; and includes any replacements for a Note (whether a Bearer Note or a Registered Note, as the case may be) issued pursuant to Condition 11 of the Senior Notes or Condition 18 of the Tier 2 Notes, as the case may be;

**Note Calculation Agent** means in relation to any Series of Notes, the institution appointed as Calculation Agent for the purposes of such Notes and named as such in the relevant Final Terms, in the case of the Agent, pursuant to Clause 12 of the Agency Agreement, in the case of a Dealer, pursuant to Clause 4 of the Dealership Agreement and, in the case of any other institution pursuant to a letter of appointment in, or substantially in, the form set out in Schedule 2 to the Agency Agreement and, in any case, any successor to such institution in its capacity as such;

**notice** means, in respect of a notice to be given to Holders, a notice validly given pursuant to Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be;

**NSS** means the New Safekeeping Structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations;

**Official List** means the official list maintained by the FCA;

**outstanding** means, in relation to the Notes of all or any Series, all the Notes of such Series issued other than:

- (a) those Notes which have been redeemed pursuant to these presents;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Issue and Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative

Holders in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be) and remain available for payment against presentation of the relevant Notes and/or Coupons;

- (c) those Notes which have been purchased and cancelled in accordance with the Conditions;
- (d) those Notes which have become void under Condition 9 of the Senior Notes or Condition 16 of the Tier 2 Notes, as the case may be;
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 11 of the Senior Notes or Condition 18 of the Tier 2 Notes, as the case may be;
- (f) (for the purpose only of ascertaining the nominal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 11 of the Senior Notes or Condition 18 of the Tier 2 Notes, as the case may be;
- (g) any Global Note to the extent that it shall have been exchanged for Definitive Notes pursuant to its provisions, the provisions of these presents and the Agency Agreement; and
- (h) those Restricted Notes which have been exchanged for Unrestricted Notes and those Unrestricted Notes which have been exchanged for Restricted Notes, in each case pursuant to their provisions, the provisions of these presents and the Agency Agreement,

PROVIDED THAT for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the holders of the Notes of any Series;
- (ii) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Conditions 10 and 15 of the Senior Notes, Conditions 17 and 22 of the Tier 2 Notes and paragraphs 2, 5, 6 and 9 of Schedule 3;
- (iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes of any Series; and
- (iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Notes of any Series,

those Notes of the relevant Series (if any) which are for the time being held by or on behalf of the Issuer, or any of its Subsidiaries, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**Paying Agents** means, in relation to all or any Series of the Notes, the several institutions (including, where the context permits, the Issue and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Notes by the Issuer pursuant to the Agency Agreement and/or, if applicable, any Successor paying agents;

**Permanent Global Note** means a global note in the form or substantially in the form set out in Part 2 of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Bearer Notes of the same Series, issued

by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) and these presents;

**Potential Event of Default** means any condition, event or act which, with the lapse of time and/or the giving of notice and/or the issue of any certificate, would constitute an Event of Default;

**PRA** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Principal Subsidiary** has the meaning set out in Condition 4 of the Senior Notes;

**Programme** means the Medium Term Note Programme established by, or otherwise contemplated in, the Dealership Agreement;

**Reference Banks** means, in relation to the Notes of any relevant Series, the several banks initially appointed as reference banks and/or, if applicable, any Successor reference banks;

**Registered Global Note** means a Regulation S Global Note and/or a Rule 144A Global Note, as the context may require;

**Registered Notes** means those of the Notes which are in registered form;

**Registrar** means, in relation to all or any Series of the Registered Notes, Citibank, N.A., London Branch at its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or, if applicable, any Successor registrar;

**Regulation S Global Note** means a registered global note in the form or substantially in the form set out in Part 6 of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Registered Notes of the same Series initially offered and sold outside the United States in reliance on Regulation S under the Securities Act, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) and these presents;

**Regulatory Capital Requirement** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Relevant Date** has the meaning set out in Condition 8 of the Senior Notes and Condition 24 of the Tier 2 Notes;

**repay, redeem and pay** shall each include both the others and cognate expressions shall be construed accordingly;

**Reset Notes** means a Note on which interest is calculated at a fixed rate, which is reset by reference to a formula in respect of each successive Reset Period, payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

**Reset Period** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Restricted Notes** means Registered Notes represented by a Rule 144A Global Note and Definitive Registered Notes issued in exchange for a Rule 144A Global Note;

**Rule 144A Global Note** means a registered global note in the form or substantially in the form set out in Part 6 of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the

applicable Final Terms annexed thereto, comprising some or all of the Registered Notes of the same Series initially offered and sold in the United States in reliance on Rule 144A under the Securities Act, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and these presents;

**Securities Act** means the United States Securities Act of 1933, as amended;

**Senior Creditors** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Senior Note** means a Note specified as such in the applicable Final Terms;

**Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **Notes of the relevant Series, holders of Notes of the relevant Series** and related expressions shall be construed accordingly;

**Solvency Capital Requirement** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Solvency Condition** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Stock Exchange** means the London Stock Exchange or any other or further stock exchange(s) on which any Notes may from time to time be listed, and references in these presents to the **relevant Stock Exchange** shall, in relation to any Notes, be references to the Stock Exchange on which such Notes are, from time to time, or are intended to be, listed;

**Subsidiary** means any company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006 of Great Britain);

**Successor** means, in relation to the Issue and Paying Agent, the other Paying Agents, the Registrar, the Reference Banks and the Note Calculation Agent, any successor to any one or more of them in relation to the Notes which shall become such pursuant to the provisions of these presents and/or the Agency Agreement (as the case may be) and/or such other or further issue and paying agent, paying agents, registrar, reference banks and calculation agents (as the case may be) in relation to the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the former case being within the same city as those for which they are substituted) as may from time to time be nominated by the Issuer and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Holders;

**successor in business** means any company which, as a result of any amalgamation, merger or reconstruction:

- (a) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto; and
- (b) carries on, as successor to the Issuer, the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto;

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

**Talons** means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Definitive Bearer Notes (other than the Zero Coupon Notes), such talons being in the form or substantially in the form set out in Part 5 of the Schedule 2 or in such other form as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 11 of the Senior Notes and Condition 18 of the Tier 2 Notes, as the case may be;

**Temporary Global Note** means a global note in the form or substantially in the form set out in Part 1 of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Bearer Notes of the same Series, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and these presents;

**these presents** means this Trust Deed and the Schedules and any trust deed supplemental hereto and the Schedules (if any) thereto and the Notes, the Coupons, the Talons, the Conditions and, unless the context otherwise requires, the Final Terms, all as from time to time modified in accordance with the provisions herein or therein contained;

**Tier 1 Capital** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Tier 2 Capital** has the meaning set out in Condition 24 of the Tier 2 Notes;

**Tier 2 Note** means a Note specified as such in the applicable Final Terms;

**Tranche** means all Notes which are identical in all respects (including as to listing);

**Trust Corporation** means a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

**Trustee Acts** means the Trustee Act 1925 and the Trustee Act 2000;

**Unrestricted Notes** means those of the Registered Notes which are not Restricted Notes; and

**Zero Coupon Note** means a Note on which no interest is payable;

- 1.2 (a) In these presents:
- (i) words denoting the singular shall include the plural and vice versa;
  - (ii) words denoting one gender only shall include the other genders; and
  - (iii) words denoting persons only shall include firms and corporations and vice versa.
- (b) All references in these presents to principal and/or principal amount and/or interest in respect of the Notes or to any moneys payable by the Issuer under these presents shall, unless the context otherwise requires, be construed in accordance with Condition 6.6 of the Senior Notes.
- (c) All references in these presents to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory

instrument, order or regulation made thereunder or under any such modification or re-enactment.

- (d) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- (e) All references in these presents to Euroclear and/or Clearstream, Luxembourg and/or (in the case of Registered Notes) DTC shall, whenever the context so permits, be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the Issue and Paying Agent, the Registrar and the Trustee.
- (f) Unless the context otherwise requires words or expressions used in these presents shall bear the same meanings as in the Companies Act 2006.
- (g) In this Trust Deed references to Schedules, Clauses, Subclauses, paragraphs and subparagraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, Subclauses, paragraphs and subparagraphs of this Trust Deed respectively.
- (h) Wherever in these presents there is a requirement for the consent of, or a request from, the Holders, then, for so long as any of the Registered Notes is represented by a Rule 144A Global Note registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time. Such Omnibus Proxy shall assign the right to give such consent or, as the case may be, make such request to DTC's direct participants as of the record date specified therein and any such assignee participant may give the relevant consent or, as the case may be, make the relevant request in accordance with these presents.
- (i) In these presents tables of contents and Clause headings are included for ease of reference and shall not affect the construction of these presents.

1.3 Words and expressions defined in the Conditions or used in the applicable Final Terms shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Conditions and the applicable Final Terms, the applicable Final Terms shall prevail.

1.4 All references in these presents to the **relevant currency** shall be construed as references to the currency in which payments in respect of the Notes and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.

1.5 As used in these presents, in relation to any Notes which have a **listing** or are **listed** on the London Stock Exchange, **listing** and **listed** shall be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market. All references in these presents to **listing** and **listed** shall include references to **quotation** and **quoted** respectively.

1.6 All references in these presents involving compliance by the Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of the Holders of the Notes of the relevant one or more Series as a class.

- 1.7 All references to the **records** of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interest in the Notes.

## **2. AMOUNT AND ISSUE OF THE NOTES**

### **2.1 Amount of the Notes, Final Terms and Legal Opinions**

The Notes will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3.33 of the Dealership Agreement shall apply.

By not later than 3.00 p.m. (London time) on the third London Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable Final Terms and drafts of all (if any) legal opinions to be given in connection with the relevant issue and shall notify the Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Notes to be issued. Upon the issue of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Trust Deed and on such other occasions as the Trustee so requests (on the basis that (a) the Trustee considers it necessary in view of a change (or proposed change) in applicable law or regulations (or the interpretation or application thereof) affecting the Issuer, these presents, the Dealership Agreement or the Agency Agreement, or (b) the Trustee has other grounds), the Issuer will procure that a further legal opinion or further legal opinions in such form and with such content as the Trustee may require from the legal advisers specified in the Dealership Agreement or such other legal advisers as the Trustee may require is/are delivered to the Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion(s) in a form reasonably satisfactory to the Trustee shall be a further condition precedent to the issue of those Notes.

### **2.2 Covenant to repay principal and to pay interest**

The Issuer covenants with the Trustee that it will, as and when the Notes of any Series or any of them becomes due to be redeemed in accordance with the Conditions, (subject, in the case of Tier 2 Notes, to the provisions of Clause 7 and Condition 4) unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency in immediately available funds the principal amount in respect of the Notes of such Series becoming due for redemption on that date (or such later date as may be provided for under the Conditions) and (except in the case of Zero Coupon Notes) shall (subject as provided in these presents) in the meantime and until redemption in full of the Notes of such Series (both before and after any judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest (which shall accrue from day to day) on the nominal amount of the Notes outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4) PROVIDED THAT:

- (a) every payment of principal or interest or other sum due in respect of the Notes made to or to the order of the Issue and Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the covenant by the Issuer in this Clause contained in relation to the Notes of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Holders or Couponholders (as the case may be) or (in the case of Tier 2 Notes) such subsequent payment is not made by reason of Clause 7 or Condition 4 of the Tier 2 Notes;

- (b) in the case of any payment of principal made to the Trustee or the Issue and Paying Agent after the due date or on or after accelerated maturity following an Event of Default, interest shall continue to accrue on the nominal amount of the relevant Notes (except in the case of Zero Coupon Notes to which the provisions of Condition 7.8 of the Senior Notes shall apply) (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) up to and including the date which the Trustee determines to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Notes (such date to be not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Trustee or the Issue and Paying Agent); and
- (c) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (b) above) interest shall accrue on the nominal amount of such Note (except in the case of Zero Coupon Notes to which the provisions of Condition 7.8 of the Senior Notes shall apply) payment of which has been so withheld or refused (both before and after any judgment or other order of a court of competent jurisdiction) at the rates aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Note is made or (if earlier) the fifth working day after notice is given to the relevant Holder(s) (whether individually or in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made.

The Trustee will hold the benefit of this covenant on trust for the Holders and the Couponholders and itself in accordance with these presents.

### **2.3 Trustee's requirements regarding Paying Agents etc.**

At any time after an Event of Default or a Potential Event of Default shall have occurred or the Trustee shall have received any money which it proposes to pay under Clause 7.1 or Clause 10 to the relevant Holders and/or Couponholders, or the Notes shall otherwise have become due and repayable, the Trustee may:

- (a) by notice in writing to the Issuer, the Issue and Paying Agent, the Registrar and the other Paying Agents require the Issue and Paying Agent, the Registrar and the other Paying Agents pursuant to the Agency Agreement:
  - (i) to act thereafter as Issue and Paying Agent, Registrar and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of these presents *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Issue and Paying Agent, the Registrar and the other Paying Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of these presents relating to the Notes of the relevant Series and Coupons and available for such purpose) and thereafter to hold all Notes and Coupons and all sums, documents and records held by them in respect of Notes and Coupons on behalf of the Trustee; or

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

(b) by notice in writing to the Issuer and require it to make all subsequent payments in respect of the Notes and Coupons to or to the order of the Trustee and not to the Issue and Paying Agent and, with effect from the issue of any such notice to the Issuer until such notice is withdrawn, proviso (i) to Subclause 2.2 of this Clause relating to the Notes shall cease to have effect.

2.4 If the Floating Rate Notes of any Series become immediately due and repayable under Condition 10 of the Senior Notes or Condition 17 of the Tier 2 Notes the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 10 of the Senior Notes or Condition 17 of the Tier 2 Notes, as the case may be, except that the rates of interest need not be published.

## 2.5 Currency of payments

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

## 2.6 Further Notes

The Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Holders or Couponholders to create and issue further Notes (whether in bearer or registered form) ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series.

## 2.7 Separate Series

The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of Clauses 3 to 25 (both inclusive), 27 and the Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions **Notes**,  **Holders**,  **Coupons**,  **Couponholders**,  **Talons** and  **Talonholders** shall be construed accordingly.

## 3. FORMS OF THE NOTES

### 3.1 Bearer Global Notes

(a) The Bearer Notes of each Tranche will initially be represented by either:

(i) a single Temporary Global Note which shall be exchangeable for either Definitive Bearer Notes together with, (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Global Note, in each case in accordance with the

provisions of such Temporary Global Note. Each Permanent Global Note shall be exchangeable for Definitive Bearer Notes together with, (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Note; or

- (ii) a single Permanent Global Note which shall be exchangeable for Definitive Bearer Notes together with, (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached in accordance with provisions of such Permanent Global Note.

All Bearer Global Notes shall be prepared, completed and delivered to a common depository (in the case of a CGN) or common safekeeper (in the case of a NGN) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Dealership Agreement or to another appropriate depository in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.

- (b) Each Temporary Global Note shall be printed or typed in the form or substantially in the form set out in Part 1 of the Schedule 2 and may be a facsimile. Each Temporary Global Note shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issue and Paying Agent and shall, in the case of a Eurosystem-eligible NGN or in the case of a Non-eligible NGN in respect of which the Issuer has notified the Issue and Paying Agent that effectuation is to be applicable, be effectuated by the common safekeeper acting on the instructions of the Issue and Paying Agent. Each Temporary Global Note so executed and authenticated shall be a binding and valid obligation of the Issuer and title thereto shall pass by delivery.
- (c) Each Permanent Global Note shall be printed or typed in the form or substantially in the form set out in Part 2 of the Schedule 2 and may be a facsimile. Each Permanent Global Note shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issue and Paying Agent and shall, in the case of a Eurosystem-eligible NGN or in the case of a Non-eligible NGN in respect of which the Issuer has notified the Issue and Paying Agent that effectuation is to be applicable, be effectuated by the common safekeeper acting on the instructions of the Issue and Paying Agent. Each Permanent Global Note so executed and authenticated shall be a binding and valid obligation of the Issuer and title thereto shall pass by delivery.

### **3.2 Registered Global Notes**

- (a) All the Registered Notes of each Tranche will be represented by a Regulation S Global Note and/or a Rule 144A Global Note. Unless otherwise set forth in the applicable Final Terms, Registered Notes of a Series that are initially offered and sold in the United States in reliance on Rule 144A under the Securities Act as provided in the Dealership Agreement shall be represented by a Rule 144A Global Note and Registered Notes of a Series that are initially offered and sold outside the United States transactions in reliance on Regulation S under the Securities Act as provided in the Dealership Agreement shall be represented by a Regulation S Global Note. The Regulation S Global Note will be deposited with a common depository or, for Registered Global Notes which are intended to be held under the NSS, a common safekeeper for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and the Rule 144A Global Note will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in the Registered Global Notes will be shown on, and exchanges and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg.
- (b) Registered Notes represented by the Registered Global Notes shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Notes and the

Agency Agreement and the rules and operating procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg.

- (c) Each Registered Global Note shall be printed or typed in the form or substantially in the form set out in Part 6 of the Schedule 2 and may be a facsimile. Each Registered Global Note shall have annexed thereto a copy of the applicable Final Terms and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar and, for Registered Global Notes intended to be held under the NSS, effectuated by the common safekeeper. Each Registered Global Note so executed and authenticated shall be a binding and valid obligation of the Issuer.

### **3.3 Definitive Bearer Notes and Definitive Registered Notes**

- (a) The Definitive Bearer Notes, the Coupons and the Talons shall be to bearer in the respective forms or substantially in the respective forms set out in Parts 3, 4 and 5, respectively, of the Schedule 2. The Definitive Bearer Notes, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to these presents) into such Definitive Bearer Notes if permitted by the relevant Stock Exchange (if any), or, if not so permitted, the Definitive Bearer Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Bearer Notes shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Definitive Bearer Notes, the Coupons and the Talons shall pass by delivery.
- (b) The Definitive Registered Notes shall be in registered form and shall be issued in the form or substantially in the form set out in Part 6 of the Schedule 2, shall be serially numbered, shall (where applicable) be endorsed with a legend in the same form *mutatis mutandis* as that set out on the Rule 144A Global Note (in the case of those issued in exchange for the Rule 144A Global Note) and a Form of Transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the Conditions shall be incorporated by reference (where applicable to these presents) into such Definitive Registered Notes if permitted by the relevant Stock Exchange (if any), or, if not so permitted, the Definitive Registered Notes shall be endorsed with or have attached thereto the Conditions, and, in either such case, the Definitive Registered Notes shall have endorsed thereon or attached thereto a copy of the applicable Final Terms (or the relevant provisions thereof). Title to the Definitive Registered Notes shall pass upon the registration of transfers in the register kept by the Registrar in respect thereof in accordance with the provisions of the Agency Agreement and these presents.
- (c) The Definitive Notes shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Issue and Paying Agent (in the case of the Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes). The Definitive Notes so executed and authenticated, and the Coupons and Talons, upon execution and authentication of the relevant Definitive Bearer Notes, shall be binding and valid obligations of the Issuer. The Coupons and the Talons shall not be signed. No Definitive Bearer Note and none of the Coupons or Talons appertaining to such Definitive Bearer Note shall be binding or valid until such Definitive Bearer Note shall have been executed and authenticated as aforesaid.

### **3.4 Facsimile signatures**

The Issuer may use the facsimile signature of any person who at the date such signature is affixed to a Note is duly authorised by the Issuer notwithstanding that at the time of issue of any of the Notes he may have ceased for any reason to be so authorised.

### **3.5 Certificates of Euroclear, Clearstream, Luxembourg and DTC:**

Without prejudice to the provisions of Clause 16(x) the Trustee and the Issuer may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof any certificate, letter of confirmation or other document issued on behalf of Euroclear, Clearstream, Luxembourg or DTC or any form of record made by any of them or such other evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note and if the Trustee or the Issuer does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned for all purposes. Any such certificate may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

### **4. FEES, DUTIES AND TAXES**

The Issuer will pay any stamp, issue, registration, documentary and other fees, duties or taxes (if any), including interest and penalties, payable (a) in the United Kingdom, Belgium or Luxembourg on or in connection with (i) the execution and delivery of these presents and (ii) the constitution and original issue of the Notes and the Coupons and (b) in any jurisdiction on or in connection with any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Holder or Couponholder to enforce or to resolve any doubt concerning, or for any other purpose in relation to, these presents.

### **5. COVENANT OF COMPLIANCE**

The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it. The Notes and the Coupons shall be held subject to the provisions contained in these presents and the Conditions shall be binding on the Issuer the Trustee, the Holders and the Couponholders and all persons claiming through or under them. The Trustee shall be entitled to enforce the obligations of the Issuer under the Notes, the Coupons and the Conditions in the manner therein provided as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Notes and the Coupons. The Trustee shall hold the benefit of this covenant upon trust for itself and the Holders and the Couponholders according to its and their respective interests.

### **6. CANCELLATION OF NOTES AND RECORDS**

- 6.1 The Issuer shall procure that all Notes issued by it which have been (a) redeemed or (b) purchased by or on behalf of the Issuer, or any Subsidiary of the Issuer and surrendered for cancellation or (c) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 of the Senior Notes or Condition 18 of the Tier 2 Notes, as the case may be or (iv) exchanged as provided in these presents (together in each case, in the case of Definitive Bearer Notes, with all unmatured Coupons attached thereto or delivered therewith) and, in the case of Definitive Bearer Notes all relative Coupons paid in accordance with the relevant Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 of the Senior Notes or Condition 18 of the Tier 2 Notes, as the case may be, shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:

- (a) the aggregate nominal amount of Notes which have been redeemed and the amounts paid in respect thereof and the aggregate amounts in respect of Coupons which have been paid;
- (b) the serial numbers of such Notes in definitive form distinguishing between Definitive Bearer Notes and Definitive Registered Notes;
- (c) the total numbers (where applicable, of each denomination) by maturity date of such Coupons;
- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Notes and/or on Definitive Registered Notes;
- (e) the aggregate nominal amount of Notes (if any) which have been purchased by or on behalf of the Issuer, or any Subsidiary of the Issuer and cancelled and the serial numbers of such Notes in definitive form and, in the case of Definitive Bearer Notes, the total number (where applicable, of each denomination) by maturity date of the Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Notes and the aggregate amounts in respect of Coupons which have been exchanged or surrendered and replaced with Notes in definitive form and the serial numbers of such Notes in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;
- (g) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Definitive Bearer Notes bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Definitive Bearer Notes to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons,

shall be given to the Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon or exchange of the relative Talons respectively and of cancellation of the relative Notes and Coupons.

- 6.2 The Issuer shall procure (a) that the Issue and Paying Agent shall keep a full and complete record of all Notes Coupons and Talons issued by it (other than serial numbers of Coupons) and of their redemption or purchase and cancellation and of all replacement notes, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes, Coupons or Talons (b) that the Issue and Paying Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of ten years from the Relevant Date in respect of such Coupons and (in the case of Talons indefinitely) either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (c) that such records and Coupons (if any) shall be made available to the Trustee at all reasonable times during normal business hours.

Notwithstanding the foregoing, the Issuer shall not be required to procure the keeping of a record of serial numbers and maturity dates of Coupons except as regards unmatured Coupons not attached to or surrendered with Definitive Notes presented for redemption or purchased and presented for cancellation, matured Coupons that remain unpaid and Coupons in place of which replacement Coupons have been issued and replacement Coupons.

## 7. SUBORDINATION OF TIER 2 NOTES

7.1 The claims of the Trustee, the Holders and the Couponholders against the Issuer in respect of Tier 2 Notes and any relative Coupons shall, in the event of the winding up of the Issuer, be subordinated to the claims of all Senior Creditors, but will rank, in the event of the winding-up of the Issuer, at least *pari passu* with all other obligations, present and future, of the Issuer which constitute or would but for any applicable limitation on the amount of such capital, constitute Tier 2 Capital and in priority to those whose claims constitute, or would but for any applicable limitation on the amount of such capital, constitute Tier 1 Capital and in priority to the claims of holders of all classes of share capital of the Issuer. Any amount in respect of the Tier 2 Notes and any relative Coupons paid to the Trustee *pari passu* with the amounts payable to other creditors of the Issuer in the winding-up shall be held by the Trustee upon trust:

- (a) FIRST for application in payment or satisfaction of all amounts then due and unpaid under Clauses 15 and/or 16(j) to the Trustee and/or Appointee;
- (b) SECONDLY for payment of the claims of all Senior Creditors to the extent that such claims are admitted to proof in the winding-up of the Issuer (not having been satisfied out of the other resources of the Issuer) excluding interest accruing after commencement of the winding up;
- (c) THIRDLY as of the balance (if any) in or towards payment *pari passu* and rateably of all moneys due in respect of Tier 2 Notes and Coupons; and
- (d) FOURTHLY as of the balance (if any) to the liquidator for the time being of the Issuer,

PROVIDED that (subject to the provisions of paragraph 7.5 below) all payments under or arising from any Tier 2 Notes, the Coupons or these presents relating to them or arising therefrom, other than payments to the Trustee made in accordance with these presents in respect of, *inter alia*, the Trustee's fees, and remuneration and expenses and liabilities incurred by the Trustee in carrying out its duties under these presents, shall be conditional upon the Issuer satisfying the Solvency Condition both at the time of, and immediately after, any such payment. The Issuer will not make any payment and any such payment shall not be payable under or arising from such Tier 2 Notes, the Coupons or these presents relating to them or arising therefrom unless the Issuer satisfies the Solvency Condition both at the time of, and immediately after, any such payment. For this purpose, the Issuer shall satisfy the Solvency Condition if (i) it is able to pay its debts to all Senior Creditors, the Holders of the Notes and the holders of Parity Securities, as they fall due and (ii) its total Assets exceed total Liabilities, other than Liabilities to persons that are neither Senior Creditors nor the Holders of the Notes nor the holders of Parity Securities, by at least 4% or such other percentage specified by the PRA from time to time as the Regulatory Capital Requirement.

PROVIDED further that (subject to the provisions of paragraph 7.5 below) all payments under or arising from any Tier 2 Notes, the Coupons or these presents relating to them or arising therefrom, other than payments to the Trustee made in accordance with these presents in respect of, *inter alia*, the Trustee's fees, and remuneration and expenses and liabilities incurred by it in carrying out its duties under these presents, shall, unless otherwise permitted by the PRA, be conditional upon both the Solvency Capital Requirement and the Minimum Capital Requirement being met both at the time of, and immediately after, any such payment. Unless otherwise permitted by the PRA, the Issuer will not make any payment and any such payment shall not be payable under or arising from the Tier 2 Notes, the Coupons or these presents relating to them or arising therefrom, unless both the Solvency Capital Requirement and the Minimum Capital Requirement are met both at the time of, and immediately after, any such payment.

7.2 The Issuer may at any time and shall whenever requested by the Trustee procure a report as to whether the Issuer satisfies the Solvency Condition for the purposes of subparagraph 7.1 above by two Directors of the Issuer or, if the Issuer is in winding up in England and Wales, its liquidator and, in the absence of manifest error any such report shall be treated and accepted by the Issuer, the Trustee, the Holders and the Couponholders as correct and sufficient evidence thereof and may be relied upon by the Trustee without further enquiry. In the absence of any such report to the contrary, it shall for the purposes hereof be assumed (unless the contrary is proved prior to the date of payment or, for the purposes of the second and fourth trusts of Clause 10, within 30 days after receipt by the Trustee of any moneys in respect of such Tier 2 Notes) that the Issuer is and will after any payment hereunder satisfy the Solvency Condition for the purposes of subparagraph 7.1 above. In the event of the delivery of a report of two Directors of the Issuer that the Issuer will not satisfy the Solvency Condition, the Issuer shall procure that the Auditors shall provide within 30 days of the date of such report of two Directors of the Issuer, a report of the Auditors as to whether or not the Issuer satisfies the Solvency Condition for the purposes of subparagraph 7.1 above and such report of the Auditors shall supersede the report of two Directors of the Issuer for all purposes of these presents.

7.3 The Issuer may at any time and shall whenever requested by the Trustee procure a report as to the Issuer's compliance with the Solvency Capital Requirement or the Minimum Capital Requirement (or both) for the purposes of subparagraph 7.1 above signed by two Directors of the Issuer or, if there is a winding-up of the Issuer in England and Wales, the liquidator of the Issuer and any such report shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Holders and the Couponholders as correct and sufficient evidence thereof and may be relied upon by the Trustee without further enquiry. In the absence of any such report to the contrary, it shall for the purposes hereof be assumed (unless the contrary is proved prior to the date of payment or, for the purposes of the second and fourth trusts of Clause 10, within 30 days after receipt by the Trustee of any moneys in respect of such Tier 2 Notes) that the Issuer is and will after any payment hereunder satisfy the Solvency Capital Requirement for the purposes of subparagraph 7.1.

Without prejudice to the rest of these presents, amounts representing payments of any amount under or arising from the Tier 2 Notes, any relative Coupon and these presents relating to them in respect of which the Solvency Condition, or either the Solvency Capital Requirement or the Minimum Capital Requirement is (or both are) not met, both at the time of, and immediately after, the time at which the same would otherwise be due and payable (**Solvency Claims**), will be payable by the Issuer in a winding-up of the Issuer as provided in Condition 4.4 and this Clause 7. A Solvency Claim shall not bear interest, except in the limited circumstances referred to in Condition 4.9.

7.4 The trust secondly mentioned in paragraph 7.1 above may be performed by the Trustee repaying to the liquidator for the time being of the Issuer (the **Liquidator**) the amount so to be distributed on terms that the Liquidator shall distribute the same accordingly and in that event the Trustee shall not be bound to supervise such distribution and the receipt of the Liquidator for any moneys so paid by the Trustee to him shall be a good discharge to the Trustee for the performance by the Trustee of the trust secondly mentioned in paragraph 7.1 above.

7.5 The Trustee shall be entitled and it is hereby authorised to call for and to accept as conclusive evidence thereof a certificate from the Liquidator as to:

- (a) the amounts of the claims of all Senior Creditors referred to in paragraph 7.1 above; and/or
- (b) the persons entitled thereto and their respective entitlements.

## **8. NON-PAYMENT**

Proof that as regards any specified Note or Coupon the Issuer has made default in paying any amount due in respect of such Note or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Notes or Coupons (as the case may be) in respect of which the relevant amount is due and payable.

## **9. EVENTS OF DEFAULT AND ENFORCEMENT**

The rights and remedies of the Trustee and the rights and duties of Holders and Couponholders as to recovery of amounts owing on the Notes and Coupons are set out in Condition 10 of the Senior Notes and Conditions 4.13 and 17 of the Tier 2 Notes, provided that the Trustee shall not be bound to take any steps to enforce the performance of any of the provisions of these presents, the Notes or the Coupons unless it shall be indemnified and/or secured and/or prefunded by the relevant Holders and/or Couponholders to its satisfaction against all proceedings, claims and demands to which it may be liable and against all costs, charges, liabilities and expenses which may be incurred by it in connection with such enforcement or appointment, including the cost of its managements' time and/or other internal resources, calculated using its normal hourly rates in force from time to time.

## **10. APPLICATION OF MONEYS**

All moneys received by the Trustee under these presents (including any moneys which represent principal or interest in respect of Notes or Coupons which have become void under Condition 9 of the Senior Notes or Condition 16 of the Tier 2 Notes, as the case may be) shall, unless and to the extent attributable, in the opinion of the Trustee, to a particular Series of the Notes issued by the Issuer, be apportioned *pari passu* and rateably between each Series of the Notes issued by the Issuer, and all moneys received by the Trustee under these presents to the extent attributable in the opinion of the Trustee to a particular Series of the Notes issued by the Issuer or which are apportioned to such Series as aforesaid, shall be held by the Trustee upon trust to apply them (subject to Clause 7.1 (in the case of Tier 2 Notes only) and 12 as follows):

- (a) FIRST in payment or satisfaction of all amounts then due and unpaid under Clauses 15 and/or 16(j) to the Trustee and/or any Appointee;
- (b) SECONDLY (in the case of moneys attributable in the opinion of the Trustee to a particular Series of Tier 2 Notes or which are apportioned to any such Series as aforesaid (including any moneys in respect of such Tier 2 Notes and/or Coupons (if any) relating thereto which have become void under Condition 16 of the Tier 2 Notes)) if, prior to receipt of any such moneys or within 30 days thereafter the Trustee is provided with a report indicating that the Issuer does not or will not satisfy the Solvency Condition and/or the Solvency Capital Requirement and/or the Minimum Capital Requirement (as applicable) in compliance with the requirements of Clause 7, as the case may be, (which shall be requested by the Trustee on receipt of any such moneys if it has not been received by the Trustee prior thereto), in return to the Issuer of the whole or such part of such payment (after any necessary deductions pursuant to the preceding paragraph of this Clause) as caused the Issuer not to then satisfy the Solvency Condition and/or the Solvency Capital Requirement and/or the Minimum Capital Requirement (as applicable) for the purposes of the Issuer's obligations under these presents as if it had not been paid by the Issuer and its original payment shall be deemed not to have discharged any of the obligations of the Issuer under these presents);
- (c) THIRDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of that Series;

- (d) FOURTHLY, in or towards payment *pari passu* and rateably of all principal and interest including Arrears of Interest then due and unpaid in respect of the Notes of each other Series save that, where at the relevant time there are outstanding any Tier 2 Notes, if prior to receipt of any moneys apportioned to such Tier 2 Notes or within 30 days thereafter the Trustee is provided with a report indicating that the Issuer does not or will not satisfy the Solvency Condition and/or the Solvency Capital Requirement and/or the Minimum Capital Requirement (as applicable) in compliance with the requirements of Clause 7, as the case may be, (which shall be requested by the Trustee on receipt of any such moneys if it has not been received by the Trustee prior thereto) there shall be returned to the Issuer the whole or such part of any such moneys which would otherwise be applied pursuant to this paragraph towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of such Tier 2 Notes as caused the Issuer not to then satisfy the Solvency Condition and/or the Solvency Capital Requirement and/or the Minimum Capital Requirement (as applicable) for the purpose of Clause 7, as the case may be, (and any money so returned shall be treated for the purposes of the Issuer's obligations under these presents as if it had not been paid by the Issuer and its original payment shall be deemed not to have discharged any of the obligations of the Issuer under these presents); and
- (e) FIFTHLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

Without prejudice to this Clause 10, if the Trustee holds any moneys which represent principal or interest in respect of Notes or Coupons issued by the Issuer which have become void under Condition 9 of the Senior Notes and Condition 16 of the Tier 2 Notes, the Trustee will hold such moneys on the above trusts.

## **11. NOTICE OF PAYMENTS**

The Trustee shall give notice to the relevant Holders in accordance with Condition 14 of the Senior Notes and Condition 21 of the Tier 2 Notes, as the case may be, of the day fixed for any payment to them under Clause 10. Such payment may be made in accordance with Condition 6 of the Senior Notes and Condition 13 of the Tier 2 Notes, as the case may be, and any payment so made shall be a good discharge to the Trustee.

## **12. INVESTMENT BY TRUSTEE**

- 12.1 No provision of these presents shall (a) confer on the Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by these presents and, to the extent permitted by law, Section 3 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents and (b) require the Trustee to do anything which may cause the Trustee to be considered a sponsor of a covered fund under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.
- 12.2 The Trustee may place moneys in respect of the Notes or Coupons on deposit in its name or under its control in an account at such bank or other financial institution as the Trustee may, in its absolute discretion, think fit. If that bank or financial institution is the Trustee or a Subsidiary, Holding Company or associated company of the Trustee, the Trustee need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer.
- 12.3 The parties acknowledge and agree that in the event that any deposits in respect of the Notes or Coupons are held by a bank or a financial institution in the name of the Trustee and the interest rate

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

- 12.4 The Trustee may at its discretion accumulate such deposits and the resulting interest and other income derived thereon. The accumulated deposits shall be applied under Clause 10. All interest and other income deriving from such deposits shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 15 and/or Clause 16(j) to the Trustee and/or any Appointee and otherwise held for the benefit of and paid to the Noteholders or the holders of the related Coupons, as the case may be.

### **13. PARTIAL PAYMENTS**

Upon any payment under Clause 10 (other than payment in full against surrender of a Note, Receipt or Coupon) the Note, Receipt or Coupon in respect of which such payment is made shall be produced to the Trustee, the Registrar or the Paying Agent by or through whom such payment is made and the Trustee shall or shall cause the Registrar or, as the case may be, such Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Trustee may in any particular case or generally in relation to Registered Notes dispense with such production and enfacement upon such indemnity being given as it shall think sufficient.

### **14. COVENANTS BY THE ISSUER**

The Issuer covenants with the Trustee that, so long as any of the Notes remains outstanding (or, in the case of paragraphs (g), (h), (l), (m) and (o), so long as any of such Notes or the relative Coupons remains liable to prescription or, in the case of paragraph (n), until the expiry of a period of 30 days after the Relevant Date) it shall:

- (a) so far as permitted by applicable law, give or procure to be given to the Trustee such opinions, certificates and information as it shall reasonably require and in such form as it shall reasonably require (including without limitation the procurement of all such certificates called for by the Trustee pursuant to Clause 16(c)) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (b) cause to be prepared and audited by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the relevant Stock Exchange in relation to the Notes;
- (c) at all times keep and procure its Subsidiaries to keep proper books of account and at any time after the occurrence of an Event of Default or a Potential Event of Default or (in the case of Tier 2 Notes only) a breach of the provisions of these presents or if the Trustee has reasonable grounds to believe that an Event of Default or a Potential Event of Default or (in the case of Tier 2 Notes only) a breach of the provisions of these presents has occurred or is about to occur allow the Trustee and any person appointed by the Trustee to whom the Issuer shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours;
- (d) send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders together with any of the foregoing, and every document issued or sent to

holders of securities other than its shareholders (including the Holders) as soon as practicable after the issue or publication thereof;

- (e) forthwith upon becoming aware thereof give notice in writing to the Trustee of the happening of any Event of Default or any Potential Event of Default or (in the case of Tier 2 Notes only) of any breach of any of the provisions of these presents or (in the case of the Senior Notes only) of the coming into existence of any security) which would require any security to be given to the Notes pursuant to Condition 4 of the Senior Notes;
- (f) give to the Trustee (i) within ten days after demand in writing by the Trustee therefor and (ii) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial year ending 31 December 2019 and in any event not later than 180 days after the end of each such financial year a certificate signed by two Authorised Persons of the Issuer to the effect that to the best of their knowledge, information and belief, having made all reasonable enquiries, as at a date not more than seven days before delivering such certificate (the **relevant certification date**) there did not exist and had not existed since the relevant certification date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default or Potential Event of Default (or if such exists or existed specifying the same) and that during the period from and including the relevant certification date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant certification date of such certificate the Issuer has complied with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied;
- (g) so far as permitted by law, at all times execute all such further documents and do all such acts and things as may in the reasonable opinion of the Trustee be necessary at any time or times to give effect to the terms and conditions of these presents;
- (h) at all times maintain an Issue and Paying Agent, other Paying Agents, a Registrar, a Note Calculation Agent and Reference Banks in accordance with, and to the extent required by, the Conditions;
- (i) use all reasonable endeavours to procure the Issue and Paying Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for any payment in respect of the Notes or any of them or any of the relative Coupons, receive unconditionally pursuant to the Agency Agreement payment of the full amount in the requisite currency of the moneys payable on such due date on all such Notes or Coupons as the case may be;
- (j) in the event of the unconditional payment to the Issue and Paying Agent or the Trustee of any sum due in respect of the Notes or any of them or any of the relative Coupons being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Holders in accordance with Condition 14 of the Senior Notes and Condition 21 of the Tier 2 Notes, as the case may be, that such payment has been made;
- (k) if the applicable Final Terms indicates that the Notes are listed, use all reasonable endeavours to maintain the quotation or listing on the relevant Stock Exchange of those of the Notes which are quoted or listed on the relevant Stock Exchange or, if it is unable to do so having used all reasonable endeavours, use all reasonable endeavours to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the prior written approval of the Trustee) decide and also upon obtaining a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to these presents

as the Trustee may reasonably require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;

- (l) give not less than 45 days' notice to the Trustee and not less than 30 days' notice to the Holders in accordance with Condition 14 of the Senior Notes and Condition 21 of the Tier 2 Notes, as the case may be, of any appointment, resignation or removal of any Issue and Paying Agent, Note Calculation Agent, Registrar, Reference Bank or other Paying Agent (other than the appointment of the initial Issue and Paying Agent, Note Calculation Agent, Registrar, Reference Banks and other Paying Agents) after having obtained the prior written approval of the Trustee thereto and of any change of any Paying Agent's, Registrar's or Reference Bank's specified office; PROVIDED ALWAYS THAT so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Registrar or so long as any of the Notes or Coupons remains liable to prescription in the case of the termination of the appointment of the Issue and Paying Agent or the Note Calculation Agent no such termination shall take effect until a new Issue and Paying Agent, Note Calculation Agent or Registrar (as the case may be) has been appointed on terms previously approved in writing by the Trustee;
- (m) obtain the prior written approval of the Trustee to, and promptly give to the Trustee two copies of, the form of every notice given to the Holders in accordance with Condition 14 of the Senior Notes and Condition 21 of the Tier 2 Notes, as the case may be (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (the **FSMA**) of any such notice which is a financial promotion (as defined in the FSMA) subject to Section 21 of the FSMA);
- (n) if payments of principal or interest in respect of the Notes or the relative Coupons by the Issuer shall become subject generally to the taxing jurisdiction of any territory or any political sub-division or any authority therein or thereof having power to tax other than or in addition to the United Kingdom or any political sub-division or any authority therein or thereof having power to tax, immediately upon becoming aware thereof notify the Trustee in writing of such event and (unless the Trustee otherwise agrees) enter forthwith into a trust deed supplemental to this Trust Deed, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 8 of the Senior Notes or Condition 15 of the Tier 2 Notes, as the case may be, with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any political sub-division thereof or any authority therein or thereof having power to tax to whose taxing jurisdiction such payments shall have become subject as aforesaid such trust deed also (where applicable) to modify Condition 7.2 of the Senior Notes or Condition 14.3 of the Tier 2 Notes, as the case may be, so that such Condition shall make reference to the other or additional territory, any political sub-division thereof and any authority therein or thereof having power to tax;
- (o) comply with and perform all its obligations under the Agency Agreement and use all reasonable endeavours to procure that the Issue and Paying Agent, the Registrar and the other Paying Agents comply with and perform all their respective obligations thereunder and any notice given by the Trustee pursuant to Clause 2.3(a) and that the Note Calculation Agent not make any amendment to the Agency Agreement respectively without the prior written approval of the Trustee;
- (p) in order to enable the Trustee to ascertain the nominal amount of the Notes of each Series for the time being outstanding for any of the purposes referred to in the proviso to the definition

of **outstanding** in Clause 1, deliver to the Trustee as soon as practicable upon being so requested in writing by the Trustee a certificate in writing signed by two Authorised Persons of the Issuer, setting out the total number and aggregate nominal amount of the Notes of each Series issued by it which:

- (i) up to and including the date of such certificate have been purchased by the Issuer or any Subsidiary of the Issuer and cancelled; and
- (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer or any Subsidiary of the Issuer;
- (q) use all reasonable endeavours to procure that each of the Paying Agents and the Registrar makes available for inspection by Holders and Couponholders at its specified office copies of these presents, the Agency Agreement and the then latest audited balance sheet and profit and loss account (consolidated if applicable) of the Issuer;
- (r) if, in accordance with the provisions of the Conditions, interest in respect of the Notes becomes payable at the specified office of any Paying Agent in the United States of America promptly give notice thereof to the relative Holders in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be;
- (s) furnish, upon the request of a holder of Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder;
- (t) give prior written notice to the Trustee of any proposed redemption pursuant to Condition 7.2 or 7.3 (in the case of the Senior Notes) or Condition 14.2, 14.3, 14.4, 14.5, 14.6 or 14.7 (in the case of the Tier 2 Notes) and, if it shall have given notice to the Holders of its intention to redeem any Senior Notes pursuant to Condition 7.3, duly proceed to make drawings (if appropriate) and to redeem Notes accordingly;
- (u) promptly provide the Trustee with copies of all supplements and/or amendments and/or restatements of the Dealership Agreement;
- (v) use all reasonable endeavours to procure that each of its Subsidiaries observes the restrictions contained in Condition 7.6 (in the case of the Senior Notes) or Condition 14.9 (in the case of the Tier 2 Notes);
- (w) if the Issuer shall receive an objection to or receives notification of a failure to obtain approval in respect of the making of any payment or taking of any other action under these presents from the PRA following notification thereof to the PRA pursuant to the Conditions, shall promptly provide a copy thereof to the Trustee; and
- (x) use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg (as the case may be) issue(s) any record, certificate or other document requested by the Trustee under Clause 16(x) or otherwise as soon as practicable after such request.

## **15. REMUNERATION AND INDEMNIFICATION OF TRUSTEE**

15.1 The Issuer shall pay to the Trustee remuneration for its services as trustee of these presents such amount as shall be agreed from time to time by the Issuer and the Trustee. Such remuneration shall

accrue from day to day and be payable (in priority to payments to Holders and Couponholders) up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Issue and Paying Agent or the Trustee PROVIDED THAT if upon due presentation of any Note, Receipt or Coupon or any cheque payment of the moneys due in respect thereof is improperly withheld or refused or (in the case of Tier 2 Notes) such subsequent payment is not made by reason of Clause 7 or Condition 4 of the Tier 2 Notes, remuneration will commence again to accrue until payment to such Holder or Couponholder is duly made.

- 15.2 In the event of the occurrence of an Event of Default or a Potential Event of Default, (in the case of Tier 2 Notes only) any breach by the Issuer of any provision of these presents or, in any case, the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agrees to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them and which may be calculated in accordance with the Trustee's normal hourly rates in force from time to time.
- 15.3 The Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax against production of a valid invoice for VAT purposes or similar tax chargeable in respect of its remuneration under these presents.
- 15.4 In the event of the Trustee and the Issuer failing to agree:
- (a) (in a case to which Subclause 15.1 above applies) upon the amount of the remuneration; or
  - (b) (in a case to which Subclause 15.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by an investment bank or other person (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such investment bank being payable by the Issuer) and the determination of any such investment bank or other person shall be final and binding upon the Trustee and the Issuer.

- 15.5 The Issuer shall also pay or discharge all Expenses (which expression shall exclude any amount payable to the Trustee pursuant to Clause 15.3 where such amount has already been paid to the Trustee) incurred by the Trustee (other than any tax levied on the Trustee by reference to the net income, profits or gains of the Trustee) in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these presents.
- 15.6 All amounts payable pursuant to Subclause 15.5 above and/or Clause 16(j) shall be payable by the Issuer on the date specified in a demand by the Trustee and in the case of payments actually made by the Trustee prior to such demand from the date which the payment was made or such later date as specified in such demand shall (if not paid within three days after such demand and the Trustee so requires) carry interest at a rate equivalent to the Trustee's cost of borrowing (provided that such borrowing is on arm's length and commercially reasonable terms) from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Trustee so requires) carry interest at such

rate from the date specified in such demand. A certificate from the Trustee as to the Trustee's cost of borrowing on any particular date shall, in the absence of manifest error, be conclusive and binding on the Issuer. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.

- 15.7 Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause and Clause 16(j) shall continue in full force and effect notwithstanding such discharge.
- 15.8 The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Notes any Expenses incurred under these presents have been incurred or to allocate any such Expenses between the Notes of any Series.
- 15.9 All payments to be made by the Issuer to the Trustee under this Clause 15 and/or Clause 16(j) shall be made without set-off, counterclaim, deduction or withholding unless compelled by law, in which event the Issuer will pay such additional amounts as will result in the receipt by the Trustee of the amounts which would otherwise have been payable by the Issuer to the Trustee under this Clause in the absence of any such set-off, counterclaim, deduction or withholding.

## **16. SUPPLEMENT TO TRUSTEE ACTS**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents. Where there are any inconsistencies between the Trustee Acts and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act. The Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) The Trustee may in relation to these presents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Trustee or otherwise and shall not be responsible for any Expense occasioned by so acting. The Trustee may rely on a certificate or report from the Auditors whether or not addressed to the Trustee.
- (b) Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- (c) The Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two Authorised Persons of the Issuer and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Expense that may be occasioned by it or any other person acting on such certificate.
- (d) The Trustee shall be at liberty to hold or to place these presents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or required to insure against any Expense incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.

- (e) The Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.
- (f) The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Event of Default or any Potential Event of Default or (in the case of Tier 2 Notes only) any breach of any provision of these presents has occurred and, until it shall have actual knowledge or express notice pursuant to these presents to the contrary, the Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has occurred and that the Issuer is observing and performing all its obligations under these presents.
- (g) Save as expressly otherwise provided in these presents, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Trustee and the Holders and Couponholders shall be conclusive and binding on the Holders and Couponholders) and shall not be responsible for any Expense which may result from their exercise or non-exercise.
- (h) The Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary or other resolution purporting to have been passed at any meeting of the Holders of Securities of all or any series in respect whereof minutes have been made and signed or any direction or request of the Holders of Securities of all or any series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing) that not all of the requisite Holders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Holders or that for any reason the resolution, direction or request, was not valid or binding upon such Holders and the relative Couponholders.
- (i) The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Trustee and every Appointee and keep it or him indemnified against all Expenses (which expression shall exclude any amount payable to the Trustee pursuant to Clause 15.3 where such amount has already been paid to the Trustee) to which it or he may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its or his trusts, powers, authorities and discretions under these presents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment excluding any tax levied on the Trustee or such Appointee by reference to the net income, profits or gains of the Trustee or, as the case may be, such Appointee.
- (k) Any consent or approval given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in these presents may be given retrospectively.
- (l) The Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Holder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive

nature) made available to the Trustee by the Issuer or any other person in connection with the trusts of these presents and no Holder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.

- (m) Where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall (unless otherwise provided by these presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer, the Holders and the Couponholders.
- (n) The Trustee as between itself and the Holders and the Couponholders may determine all questions and doubts arising in relation to any of the provisions of these presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Holders and the Couponholders.
- (o) In connection with the exercise by it of any of its trusts, powers, authorities or discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Holders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders or Couponholders except to the extent already provided for in Condition 8 of the Senior Notes or Condition 15 of the Tier 2 Notes, as the case may be, and/or any undertaking given in addition thereto or in substitution therefor under these presents.
- (p) Any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges properly incurred for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.
- (q) The Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions vested in the Trustee by these presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Holders think fit. The Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Expense incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.
- (r) The Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing,

all acts required to be done in connection with these presents (including the receipt and payment of money). The Trustee shall not be in any way responsible for any Expense incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.

- (s) The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of these presents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating or expressed to be supplemental thereto.
- (t) The Trustee may call for any certificate or other document to be issued or given by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any document and/or evidence and/or information and/or certification to such effect purporting to be issued or given by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.
- (u) Any certificate or report of the Auditors or any other expert called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these presents may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors or such other expert in respect thereof.
- (v) The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by these presents as the Trustee may determine, including for the purpose of depositing with a custodian these presents or any document relating to the trusts constituted by these presents and the Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer.
- (w) The Trustee shall not be bound to take any steps to ascertain whether any Regulatory Event, Tax Event, Tax Law Change or Optional Interest Payment Date (each as defined in the relevant Conditions) has occurred or any event has occurred by reason of which the payment of interest or other amounts may be deferred or not made and, until it shall have actual knowledge or express notice pursuant to these presents to the contrary, the Trustee shall be entitled to assume that no such event has occurred.
- (x) The Trustee may call for and shall rely on any records, certificate or other document of or to be issued by Euroclear or Clearstream, Luxembourg in relation to any determination of the principal amount of Notes represented by a NGN. In the absence of manifest error, any such records, certificate or other document shall be conclusive and binding for all purposes. The

Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such records, certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic in the absence of manifest error.

- (y) No provision of the Trust Deed or the Conditions shall require the Trustee to do anything which may in its opinion, acting reasonably, be illegal or contrary to applicable law or regulation.
- (z) Nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has reasonable grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it.
- (aa) The Trustee shall not be bound to take any steps to enforce the performance of any provisions of this Trust Deed or the Notes or to appoint an independent financial advisor pursuant to the Conditions of the Trust Deeds unless it shall be indemnified and/or secured and/or prefunded by the relevant Noteholders to its satisfaction against all proceedings, claims and demands to which it may be liable and against all costs, charges, liabilities and expenses which may be incurred by it in connection with such enforcement or appointment, including the cost of its managements' time and/or other internal resources, calculated using its normal hourly rates in force from time to time.
- (bb) The Trustee shall be entitled to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

## **17. TRUSTEE'S LIABILITY**

The duty of care contained in Section 1 of the Trustee Act 2000 shall not apply to these presents. However, nothing in these presents shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of these presents conferring on it any trusts, powers, authorities or discretions exempt the Trustee from or indemnify it against any liability for gross negligence, wilful default or fraud of which it may be guilty in relation to its duties under these presents.

## **18. TRUSTEE CONTRACTING WITH THE ISSUER**

Neither the Trustee (which for the purpose of this Clause shall include the Holding Company of any corporation acting as trustee hereof or any Subsidiary of such Holding Company) nor any director or officer or Holding Company, Subsidiary or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes,

bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer or any person or body corporate associated as aforesaid); or

- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer or any such person or body corporate so associated or any other office of profit under the Issuer or any such person or body corporate so associated,

and each shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Holders and notwithstanding that the same may be contrary or prejudicial to the interests of the Holders and shall not be responsible for any Expense occasioned to the Holders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any Holding Company, Subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Holders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

## **19. WAIVER, AUTHORISATION AND DETERMINATION**

The Trustee may without the consent or sanction of the Holders or the Couponholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time but only if and in so far as in its opinion the interests of the Holders shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in these presents or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 of the Senior Notes or Condition 17 of the Tier 2 Notes, as the case may be, but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Holders and the Couponholders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Holders in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, as soon as practicable thereafter.

## **20. MODIFICATION**

The Trustee may without the consent or sanction of the Holders or the Couponholders at any time and from time to time concur with the Issuer in making any modification (a) to these presents which in the opinion of the Trustee it may be proper to make PROVIDED THAT the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Holders or (b) to these presents if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. In the case of any modification to these presents in respect of the Tier 2 Notes, the Issuer shall have given one month's prior notice to the PRA and the PRA shall have consented to or approved such modification (in each case in accordance with, and to the extent required under, the Capital

Regulations applicable in relation to Tier 2 Capital). Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any amendments to the interest calculation provisions and provisions related thereto of the Notes in the circumstances and as otherwise set out in Conditions 1.3, 5B and 15.2 of the Senior Notes and Conditions 1.3, 9, 10, 22.3 and 24 of the Tier 2 Notes, as the case may be, without the requirement for the consent or sanction of the Holders or Couponholders.

Any such modification effected in accordance with this Clause, shall be binding upon the Holders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Holders in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, as soon as practicable thereafter.

## **21. BREACH**

Any breach of or failure to comply by the Issuer with any such terms and conditions as are referred to in Clause 19 and 20 shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to these presents.

## **22. HOLDER OF DEFINITIVE BEARER NOTE ASSUMED TO BE COUPONHOLDER**

Wherever in these presents the Trustee is required or entitled to exercise a power, trust, authority or discretion under these presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Holder is the holder of all Coupons appertaining to each Definitive Bearer Note of which he is the holder.

## **23. NO NOTICE TO COUPONHOLDERS**

Neither the Trustee nor the Issuer shall be required to give any notice to Couponholders for any purpose under these presents and the Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be,.

## **24. CURRENCY INDEMNITY**

The Issuer shall indemnify the Trustee, every Appointee, the Holders and the Couponholders and keep them indemnified against:

- (a) any loss or damage incurred by any of them arising from the non-payment by the Issuer of any amount due to the Trustee or the holders of the Notes issued by the Issuer and the relative Couponholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer; and
- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said

final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the Issuer separate and independent from their other obligations under the other provisions of these presents and shall apply irrespective of any indulgence granted by the Trustee or the Holders or the Couponholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Holders and the Couponholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

## 25. SUBSTITUTION

25.1 (a) The Trustee may, without the consent of the Holders or Couponholders (but, in the case of Tier 2 Notes, with the prior consent or approval of the PRA (if required)), at any time agree to the substitution in place of the Issuer (or of the previous substitute under this Clause) as the principal debtor under these presents of (i) any Subsidiary of the Issuer, (ii) any successor in business of the Issuer, (iii) any Holding Company of the Issuer or (iv) any other Subsidiary of such Holding Company (such substituted company being hereinafter called the **New Company**) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the principal debtor in place of the Issuer (or of the previous substitute under this Clause) and provided further that (except where the New Company is the successor in business or the Holding Company of the Issuer) the Issuer or its Holding Company unconditionally and irrevocably guarantees all amounts payable under these presents by the New Company to the satisfaction of the Trustee and provided further that, in the case of Subordinated Notes, the obligations of the Issuer or its Holding Company under such guarantee shall be subordinated on a basis considered by the Trustee to be equivalent to that described in Condition 4.

(a) The following further conditions shall apply to Clause 25.1(a) above:

- (i) the Issuer and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Holders;
- (ii) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political sub-division or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 8 of the Senior Notes or Condition 15 of the Tier 2 Notes, as the case may be, with the substitution for (or, as the case may be, the addition to) the references to the United Kingdom of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 7.2 (in the case of Senior Notes) or, as the case may be, Condition 14.3 (in the case of Tier 2 Notes) shall be modified accordingly;
- (iii) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Holders;

- (iv) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the Issuer or the previous substitute under this Clause as applicable; and
  - (v) the Trustee shall have received confirmation in writing satisfactory to it from any rating agency which, at the request of the Issuer, shall have assigned a credit rating to the Notes that such substitution by itself and the circumstances pertaining to such substitution will not result in a downgrading of the then current credit rating assigned to the Notes by such rating agency.
- (b) For the purposes of this Clause 25.1:
- (i) “Holding Company” means a parent undertaking within the meaning set out in section 1162 of the Companies Act 2006; and
  - (ii) “Subsidiary” means a subsidiary undertaking within the meaning set out in section 1162 of the Companies Act 2006

25.2 Any such trust deed or undertaking pursuant to 25.1(a) above shall (if so expressed) operate to release the Issuer (or, in any such case, the previous substitute as aforesaid) from all of its obligations as principal debtor under these presents. As soon as reasonably practicable and (in any event not later than 14 days) after the execution of such documents and compliance with such requirements, the New Company shall give notice thereof in a form previously approved by the Trustee to the Holders in the manner provided in Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be. Upon the execution of such documents and compliance with such requirements, the New Company shall be deemed to be named in these presents as the principal debtor in place of the Issuer (or, in any such case, in place of the previous substitute as aforesaid) under these presents and these presents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in these presents to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the.

## **26. NEW TRUSTEE**

The power to appoint a new trustee of these presents shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuer to the Issue and Paying Agent, the Registrar and the Holders.

## **27. SEPARATE AND CO-TRUSTEES**

The Trustee may, upon giving prior written notice to the Issuer and after consultation with the Issuer where, in the reasonable opinion of the Trustee, such consultation will not be materially prejudicial to the interests of the Holders but without the consent of the Issuer, the Holders or the Couponholders, appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:



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

(Attention: the Manager, Commercial Trusts)  
(Trust Reference 203100)  
Facsimile No. 020 7606 0643

or to such other address or facsimile number as shall have been notified (in accordance with this Clause) to the other parties hereto and any notice or demand sent by post (as aforesaid) overseas post shall be deemed to have been given, made or served upon receipt and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served upon receipt, provided that in the case of a notice or demand given by facsimile transmission such notice or demand shall forthwith be confirmed by post and telephone. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by facsimile transmission.

**31. RIGHTS OF THIRD PARTIES**

Save in respect of Clause 14(s), a person who is not a party to this Trust Deed or any trust deed supplemental hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed or any trust deed supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**32. GOVERNING LAW**

These presents (and any non-contractual obligations arising therefrom or in connection therewith) are governed by, and shall be construed in accordance with, English law.

**33. COUNTERPARTS**

This Trust Deed and any trust deed supplemental hereto may be executed and delivered in counterparts, all of which, taken together, shall constitute one and the same deed and either party to this Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

**IN WITNESS** whereof this Trust Deed has been executed as a deed by the Issuer and the Trustee and delivered on the date first stated on page 1.

## **SCHEDULE 1**

### **TERMS AND CONDITIONS OF THE NOTES**

#### **PART 1**

#### **TERMS AND CONDITIONS OF THE SENIOR NOTES**

This Note is issued by M&G plc (the “Issuer”) and is one of a Series (as defined below) of Notes constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee (the “Trustee”, which expression shall include any successor trustee) for the Holders (as defined below) of such Notes. References herein to the “Notes” shall be references to the Notes of this Series. As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single Series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as modified and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 20 December 2019 and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “Issue and Paying Agent”, which expression shall include any successor agent), Citibank, N.A., London Branch as registrar in respect of Notes in registered form and as paying agent (the “Registrar”, which expression shall include any successor registrar and, together with the Issue and Paying Agent, unless the context otherwise requires, the “Paying Agents”, which expression shall include any additional or successor paying agents) and the Trustee.

The Final Terms for this Note (or the relevant provisions thereof) are attached to or endorsed on this Note and complete these Terms and Conditions (these “Conditions”) for the purposes of this Note. References to the “Final Terms” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Copies of the Trust Deed and the Agency Agreement are available for inspection on weekdays during normal business hours at the registered office of the Issuer, the registered office for the time being of the Trustee (being at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified office of the Issue and Paying Agent. Copies of the Final Terms are available for viewing on weekdays during normal business hours at the registered office for the time being of the Issuer, the registered office for the time being of the Trustee and at the specified office of the Issue and Paying Agent. In addition, copies of each Final Terms relating to Notes which are admitted to trading on the London Stock Exchange’s regulated market will be published on the website of the London Stock Exchange through a regulatory information service. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the European Economic Area will be published in accordance with Article 21(2) of Regulation (EU) 2017/1129 and the rules and regulations of the relevant regulated market. The Holders are deemed to have notice of, are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

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

## **1. FORM AND DENOMINATION**

### **1.1 Form**

Notes are issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”), as specified in the Final Terms, serially numbered and in the currency (the “Specified Currency”) and the denomination(s) (the “Specified Denomination(s)”) specified in the Final Terms provided that in the case of Notes which are to be admitted to trading on a regulated market within the European Economic Area the minimum Specified Denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Note). Registered Notes are not exchangeable for Bearer Notes or vice versa. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

### **1.2 Coupons and Talons**

Interest-bearing definitive Bearer Notes have attached thereto, at the time of their initial delivery, coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, such Notes may have attached thereto, at the time of their initial delivery, a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons. If this Note is a Zero Coupon Note, references to Coupons and Couponholders in these Conditions are not applicable.

### **1.3 Interest Basis**

This Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include an EONIA Linked Interest Note, a SONIA Linked Interest Note, a Federal Funds Rate Linked Interest Note, a CMS Linked Interest Note, a Compounded Daily SOFR Linked Interest Note or a Weighted Average SOFR Linked Interest Note if this Note is specified as such in the Final Terms), a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the Final Terms.

### **1.4 Denomination of Bearer Notes**

Bearer Notes are in the Specified Denomination or Denominations specified in the Final Terms.

### **1.5 Denomination of Registered Notes**

Registered Notes are in the minimum Specified Denomination or Denominations specified in the Final Terms or integral multiples thereof.

## **1.6 Currency of Notes**

The Notes are denominated in the Specified Currency specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

## **2. TITLE AND TRANSFER**

### **2.1 Title to Bearer Notes**

Title to Bearer Notes and Coupons passes by delivery. References herein to the “Holders” in relation to Bearer Notes or Coupons are to the bearers of such Bearer Notes or such Coupons.

### **2.2 Title to Registered Notes**

Title to Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar. References herein to the “Holders” in relation to Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register.

### **2.3 Holder as Owner**

The Holder of any Bearer Note, Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon or any theft or loss thereof) and no person shall be liable for so treating such Holder.

### **2.4 Transfer of Registered Notes**

A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum Specified Denomination specified in the Final Terms) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

### **2.5 New Registered Notes**

Each new Registered Note to be issued upon the transfer of a Registered Note will, within five Relevant Banking Days of the transfer date, be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar after the Record Date (as defined in Condition 6.4) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment. For the purposes of these Conditions:

- (a) "Relevant Banking Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located; and
- (b) the "transfer date" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.4.

## **2.6 No Charges upon Transfer**

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Registrar may require in respect of) any tax, duty or other governmental charge of whatsoever nature which may be levied or imposed in relation thereto.

## **2.7 144A Legend**

Upon the transfer or replacement of Definitive Registered Notes or Rule 144A Global Notes bearing the 144A legend (the "144A Legend") set forth in the relevant form of Registered Note scheduled to the Trust Deed, or upon specific request for removal of the 144A Legend, the Registrar shall deliver only Registered Notes that also bear such legend unless there is delivered to the Issuer and the Registrar such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its affiliates not to acquire any beneficial interest, in any Registered Note bearing the 144A Legend unless it notifies the Registrar of such acquisition. Each Paying Agent, the Registrar, the Trustee and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

## **2.8 Information to Holders**

For so long as any of the Registered Notes bearing the 144A Legend remains outstanding and is a "restricted security" within the meaning of Rule 144(a)(3) under the United States Securities Act of 1933 (the "Securities Act"), the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act 1934, as amended (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any Holder at the specified office of each of the Paying Agents and the Registrar in connection with any sale thereof and any prospective purchaser of such Notes from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) in relation to it, under the Securities Act.

## **3. STATUS OF THE NOTES**

The Notes and any relative Coupons are direct and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank without any preference among themselves and (subject as aforesaid and to such exceptions as are from time to time applicable under the laws

of the United Kingdom) *pari passu* with all other outstanding, unsecured and unsubordinated obligations of the Issuer.

#### **4. NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Issuer will not, and will procure (so far as the Issuer can procure by the proper exercise of voting and other rights or powers of control exercisable by the Issuer in relation to Subsidiaries (as defined in the Trust Deed)) that the Principal Subsidiary (as defined below) will not, create or permit to subsist any mortgage or charge upon the whole or any part of its undertaking or assets (other than assets representing the fund or funds maintained by the Issuer or, as the case may be, the Principal Subsidiary in respect of long-term business (as defined in the Financial Services and Markets Act 2000)), present or future, to secure payment of any present or future Relevant Indebtedness (as defined below) of the Issuer or any Subsidiary or to secure any guarantee or indemnity in respect thereof, without at the same time according to the Notes, the Coupons and all amounts payable under the Trust Deed in respect thereof to the satisfaction of the Trustee, the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or such other security as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Holders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders.

For the purposes of this Condition 4:

“Principal Subsidiary” means The Prudential Assurance Company Limited but, in the case of this Condition and paragraphs (iii) to (vii) (inclusive) of Condition 10, only for so long as it remains a Subsidiary of the Issuer; and

“Relevant Indebtedness” means any indebtedness for borrowed money (other than indebtedness in the form of sterling debenture stock (as defined in the Trust Deed) or indebtedness which has a stated maturity not exceeding one year) which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which, with the agreement of the Issuer or any Subsidiary, as the case may be, are quoted, listed, dealt in or traded on a stock exchange or over the counter or other recognised securities market (whether or not distributed by way of private placement) excluding any indebtedness for borrowed money in respect of which the person to whom such indebtedness is owed has no recourse whatsoever to the Issuer or the Principal Subsidiary, as the case may be, for repayment other than recourse for amounts limited to the cash flow or net cash flow (other than historical cash flow or historical net cash flow) from such asset.

#### **5. INTEREST**

##### **5A Interest on Fixed Rate Notes**

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

If the Notes are in definitive form, except as provided in the Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but

excluding) such date will amount to the Fixed Coupon Amount. Payment of any Broken Amount will be made on the Interest Payment Date so specified in the Final Terms.

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

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

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

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

For the purposes of this Condition 5A:

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 5A:

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

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

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

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

## **5B Interest on Floating Rate Notes**

### **5B.1 Interest Payment Dates**

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

- (a) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the Final Terms; or
- (b) if no Specified Interest Payment Date(s) is/are specified in the Final Terms, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5B.1(b) above, the Floating Rate Convention, such Interest Payment Date: (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (D) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the

immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the Final Terms;
- (b) either: (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the "TARGET2 System") is open; and
- (c) where the relevant Final Terms specify that the Reference Rate is "Compounded Daily SOFR" or "Weighted Average SOFR", a U.S. Government Securities Business Day and a New York City Banking Day.

## **5B.2** *Rate of Interest*

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

## **5B.3** *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any). For the purposes of this Condition 5B.3, "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issue and Paying Agent under an interest rate swap transaction if the Issue and Paying Agent were acting as Calculation Agent (as defined below) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published

by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

- (1) the Floating Rate Option is as specified in the Final Terms;
- (2) the Designated Maturity is a period specified in the Final Terms; and
- (3) the relevant Reset Date is the day specified in the Final Terms.

For the purposes of this Condition 5B.3, "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

#### **5B.4 Screen Rate Determination for Floating Rate Notes**

- A. *Floating Rate Notes other than EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes*

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

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

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

If the Relevant Screen Page is not available or if, in the case of (i) above, no offered quotation appears or, in the case of (ii) above, fewer than three offered quotations appear, in each case as at the Relevant Time, the Issue and Paying Agent shall request each of the Reference Banks (as defined below) to provide the Issue and Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issue and Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations

plus or minus (as appropriate) the Margin (if any), all as determined by the Issue and Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issue and Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issue and Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issue and Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or if the Reference Rate is other than LIBOR or EURIBOR, the inter-bank market of the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issue and Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issue and Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or if the Reference Rate is other than LIBOR or EURIBOR, the inter-bank market of the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this Condition 5B.4A, in each case subject to Condition 5B.4H:

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market; in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and, in the case of a determination of a Reference Rate other than LIBOR or EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the interbank market of the Relevant Financial Centre, in each case selected by the Issuer;

“Reference Rate” means, as specified in the Final Terms, (i) LIBOR, (ii) EURIBOR, (iii) SIBOR, (iv) TIBOR, (v) HIBOR or (vi) the Bank of England Base Rate, in each case for the relevant currency and for the relevant period (if applicable), as specified for each in the Final Terms, and in each case subject as provided in Condition 5B.4H;

“Relevant Financial Centre” means the financial centre specified as such in the Final Terms or if none is so specified: (i) in the case of a determination of LIBOR, London, (ii) in the case

of a determination of EURIBOR, Brussels, (iii) in the case of a determination of SIBOR, Singapore, (iv) in the case of a determination of TIBOR, Tokyo, (v) in the case of a determination of HIBOR, Hong Kong or (vi) in the case of a determination of the Bank of England Base Rate, London; and

“Relevant Time” means the time specified as such in the Final Terms or if none is so specified: (i) in the case of a determination of LIBOR, 11.00 a.m., (ii) in the case of a determination of EURIBOR, 11.00 a.m., (iii) in the case of a determination of SIBOR, 11.00 a.m., (iv) in the case of a determination of TIBOR, 11.00 a.m. (v) in the case of a determination of HIBOR, 11.00 a.m. or (vi) in the case of a determination of the Bank of England Base Rate, 11.00 a.m., in each case in the Relevant Financial Centre.

*B. Floating Rate Notes which are EONIA Linked Interest Notes*

Where the Reference Rate is specified as being EONIA, the Rate of Interest for each Interest Period will be the rate (expressed as a percentage per annum rounded to the nearest ten-thousandths of a percentage point, with 0.00005 being rounded upwards) which will be calculated by the Calculation Agent in accordance with provisions set out below and the following formula:

Capitalised EONIA + Margin

As used above:

“Capitalised EONIA” means the resultant figure of the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{EONIA_1 \times n_1}{360} \right) - 1 \right] \times \frac{360}{d};$$

“d<sub>0</sub>” means, for the relevant Interest Period, the number of TARGET Business Days in such Interest Period;

“i” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Days in chronological order from, and including, the first TARGET Business Day in the relevant Interest Period;

“EONIA1” means, for any day “i” in the relevant Interest Period, a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Relevant Screen Page on the first TARGET Business Day following that day;

“n1” means the number of calendar days in the relevant Interest Period;

“d” means the number of calendar days in the relevant Interest Period;

“Margin” has the meaning specified in the Final Terms;

“Relevant Screen Page” means the screen page specified in the Final Terms or, if none is so specified, Reuters Screen EONIA Page or any successor; and

“TARGET Business Day” means a day on which the TARGET2 System is open.

If the Calculation Agent determines that either the Relevant Screen Page is not available or no such overnight rate as referred to in EONIA1 appears for any reason for any day “i” on the TARGET Business Day following that day as provided above, the Issuer shall determine EONIA1 for such day in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

*C. Floating Rate Notes which are SONIA Linked Interest Notes*

Where the Reference Rate is specified as being SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) on the Interest Determination Date for such Interest Period.

Subject to the provisions of Condition 5B.4H, if, in respect of any London Business Day in the relevant Observation Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

- (i) the Bank of England’s Bank Rate (the “Bank of England Base Rate”) prevailing at close of business on the relevant London Business Day; plus
- (ii) the mean of the spread of the SONIA reference rate to the Bank of England Base Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Subject to the provisions of Condition 5B.4H, if the Rate of Interest cannot be determined in accordance with paragraphs (a) and (b) by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms), the Rate of Interest shall be:

- (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period

had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on the Notes shall, for so long as any of the Notes remain outstanding, be that determined on such date.

For the purposes of this Condition 5B.4C:

“Compounded Daily SONIA” means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on 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:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

“d” means the number of calendar days in the relevant Interest Period;

“d<sub>0</sub>” means the number of London Business Days in the relevant Interest Period;

“i” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant London Business Days in chronological order from, and including, the first London Business Day in the relevant Interest Period;

“London Business Day” or “LBD” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

“n<sub>i</sub>” means, in relation to any London Business Day “i”, the number of calendar days from and including such London Business Day up to, but excluding, the following London Business Day;

“Observation Period” means the period from, and including, the date falling “p” London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” means, for any Interest Period, the number of London Business Days included in the Observation Look-back Period, as specified in the Final Terms;

“Relevant Screen Page” means the screen page specified in the Final Terms;

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

“SONIA<sub>i-pLBD</sub>” means, in respect of any London Business Day falling in the relevant Interest Period, the SONIA reference rate for the London Business Day “i” falling “p” London Business Days prior to the relevant London Business Day “i”.

*D. Floating Rate Notes which are Federal Funds Rate Linked Interest Notes*

Where the Reference Rate is specified as being the Federal Funds Rate, the Rate of Interest for each Interest Period will be calculated by the Calculation Agent in accordance with the provisions set out below as the Weighted Average of the U.S. Federal Funds Rate.

As used above:

“Weighted Average of the U.S. Federal Funds Rate” means D1/D2.

Where:

“D1” means, in respect of an Interest Period, the sum of the Relevant Rates for each calendar day in such Interest Period. For any calendar day in the relevant Interest Period that is an Interest Determination Date, the “Relevant Rate” is the U.S. Federal Funds Rate on such Interest Determination Date. For any calendar day in such Interest Period that is not an Interest Determination Date, the Relevant Rate for such calendar day shall be the Relevant Rate on the immediately preceding Interest Determination Date;

“D2” shall mean the number of calendar days in the Interest Period;

“Interest Determination Date” means, in respect of an Interest Reset Date, the first New York City Banking Day prior to such Interest Reset Date;

“Interest Rate Cut Off Date” means, in respect of an Interest Period, the fourth New York City Banking Day prior to the Interest Payment Date on which such Interest Period ends;

“Interest Reset Date” means, in respect of an Interest Period, each New York City Banking Day in such Interest Period up to and including the Interest Rate Cut Off Date;

“New York City Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City; and

“U.S. Federal Funds Rate” means, in respect of an Interest Determination Date, the rate for U.S. dollar federal funds on such Interest Determination Date as published in H.15(519) under the caption “Federal Funds (effective)” and displayed on Reuters (or any successor service) on page FEDFUNDS1 under the caption “EFFECT” (or any other page as may replace the specified page on that service) (“FEDFUNDS1 Page”).

If the U.S. Federal Funds Rate for an Interest Determination Date does not so appear on the FEDFUNDS1 Page or is not so published by 5.00 p.m. (New York City time) on the Interest Reset Date, in respect of such Interest Determination Date, the U.S. Federal Funds Rate for such Interest Determination Date shall be as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the caption “Federal funds (effective)”. If the U.S. Federal Funds Rate is not so published by 5.00 p.m. (New York City time) on the Interest Reset Date, the U.S. Federal Funds Rate with respect to such Interest Determination Date shall be the U.S. Federal Funds Rate for the first preceding day for which the U.S. Federal Funds Rate is set forth in H.15(519) opposite the caption “Federal funds (effective)”, as the U.S. Federal Funds Rate is displayed on the FEDFUNDS1 Page.

*E. Floating Rate Notes which are CMS Linked Interest Notes*

Where the Reference Rate is specified as being the CMS Reference Rate, the Rate of Interest for each Interest Period will be calculated by the Calculation Agent in accordance with the provisions set out below and the following formula:

CMS Rate + Margin

As used above:

“CMS Rate” shall mean the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent.

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

For this purpose:

“Margin” has the meaning specified in the Final Terms;

“Reference Banks” means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Issuer;

“Relevant Screen Page” has the meaning specified in the Final Terms;

“Relevant Swap Rate” means:

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

- (iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Issuer in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice;

“Relevant Time” has the meaning specified in the Final Terms; and

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

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Issuer in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

*F. Compounded Daily SOFR*

- (a) Where the Reference Rate is specified as being Compounded Daily SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) on the Interest Determination Date for such Interest Period.
- (b) For the purposes of this Condition 5B.4F:  
“Compounded Daily SOFR” means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) 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” means, in relation to any Interest Period, the number of calendar days in such Interest Period;

“d<sub>0</sub>” means, in relation to any Interest Period, the number of U.S. Government Securities Days in such Interest Period;

“Federal Reserve's Website” means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

“i” means, in relation to any Interest Period, a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in

chronological order from (and including) the first U.S. Government Securities Business Day in such Interest Period;

"n<sub>i</sub>" means, in relation to any U.S. Government Securities Business Day "i", the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day;

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website;

"OBFR" or "Overnight Bank Funding Rate" means, in relation to any New York City Banking Day (the "OBFR Determination Date"), the daily overnight bank funding rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator) at or around 5:00 pm (New York City time) on the New York Federal Reserve's Website on the next succeeding New York City Banking Day for trades made on such OBFR Determination Date;

"OBFR Index Cessation Effective Date" means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

"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 daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily 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 daily Overnight Bank Funding Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SIFMA” means the Securities Industry and Financial Markets Association (or any successor thereto);

“SOFR” means:

- (i) in relation to any U.S. Government Securities Business Day (the "SOFR Determination Date"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (ii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (iii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, “SOFR” in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily 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 daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); provided, however, that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:
  - (1) subject to (2) below, “SOFR” in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (i) or (ii) above (as applicable) but as if:
    - (aa) references in this Condition 5B.4F to “U.S. Government Securities Business Day” were to “New York City Banking Day” (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, “d<sub>0</sub>” shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and “i” shall be construed accordingly);

- (bb) references to “daily Secured Overnight Financing Rate” were to the “daily Overnight Bank Funding Rate”;
  - (cc) references to “SOFR Index Cessation Event” were references to “OBFR Index Cessation Event”; and
  - (dd) references to “SOFR Index Cessation Effective Date” were references to “OBFR Index Cessation Effective Date”; and
- (2) if the rate specified in (1) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, “SOFR” shall be equal to the rate determined in accordance with (i) above but as if:
- (aa) references in this Condition 5B.4F to “U.S. Government Securities Business Day” were to “New York City Banking Day” (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, “d<sub>0</sub>” shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and “i” shall be construed accordingly); and
  - (bb) the reference in paragraph (i) above to the “daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date” were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

“SOFR Index Cessation Effective Date” means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any

successor administrator of the daily Secured Overnight Financing Rate) ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

“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 daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily 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 daily Secured Overnight Financing Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SOFR Reset Date” means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the “Cut-Off Period”);

“SOFR<sub>i</sub>” means, in relation to any Interest Period and any U.S. Government Securities Business Day “i”:

- (i) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (ii) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period; and

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

- (c) The Issuer may at any time, following consultation with an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets (in each case appointed by the Issuer at its own expense), specify such changes to paragraph (iii) of the definition of “SOFR” set out in this Condition 5B.4F as it determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4F(c)). For the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as may be required to give effect to the application of this Condition 5B.4F(c).

Prior to any such amendment, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee confirming that the Issuer has made the relevant determinations in accordance with this Condition 5B.4F(c), such amendments are required to give effect to any application of this Condition 5B.4F(c) and attaching the proposed amendments and the Trustee shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Holders of the Notes or to any other person for any consequences thereof, irrespective of whether any such modification is or may be materially prejudicial to the interests of such person. No consent of the Holders of the Notes or of the Couponholders shall be required in connection with effecting such changes, including for the execution of, or amendments to, any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (1) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (2) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Issuer shall promptly following the determination of any changes pursuant to this Condition 5B.4F(c) give notice thereof to the Trustee, the Issue and Paying Agent, the Calculation Agent and the Holders.

**G. *Weighted Average SOFR***

- (a) Where the Reference Rate is specified as being Weighted Average SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Weighted Average SOFR plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) on the Interest Determination Date for such Interest Period.

- (b) For the purposes of this Condition 5B.4G:

“Weighted Average SOFR” means, in relation to any Interest Period, the arithmetic mean of SOFR, in effect for each U.S. Government Securities Business Day during such Interest Period (each such U.S. Government Securities Business Day, “i”),

calculated by multiplying the relevant SOFR<sub>i</sub> for any U.S. Government Securities Business Day “i” by the number of days such SOFR<sub>i</sub> is in effect (being the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period.

Where:

"Federal Reserve's Website" means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website;

"OBFR" or "Overnight Bank Funding Rate" means, in relation to any New York City Banking Day (the "OBFR Determination Date"), the daily overnight bank funding rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator) at or around 5:00 pm (New York City time) on the New York Federal Reserve's Website on the next succeeding New York City Banking Day for trades made on such OBFR Determination Date;

"OBFR Index Cessation Effective Date" means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

"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 daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily 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 daily Overnight Bank Funding Rate; or

- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SIFMA” means the Securities Industry and Financial Markets Association (or any successor thereto);

“SOFR” means:

- (i) in relation to any U.S. Government Securities Business Day (the "SOFR Determination Date"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (ii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (iii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, “SOFR” in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily 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 daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); provided, however, that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:
  - (1) subject to (2) below, “SOFR” in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (i) or (ii) above (as applicable) but as if:
    - (aa) references in this Condition 5B.4G to “U.S. Government Securities Business Day” were to “New York City Banking Day” (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, “Weighted Average SOFR” shall be construed so that it means the arithmetic mean of (x) SOFR<sub>i</sub> in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation

Effective Date and (y) SOFR<sub>i</sub> in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly);

- (bb) references to "daily Secured Overnight Financing Rate" were to the "daily Overnight Bank Funding Rate";
  - (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
  - (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (2) if the rate specified in (1) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "SOFR" shall be equal to the rate determined in accordance with (i) above but as if:
- (aa) references in this Condition 5B.4G to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x) SOFR<sub>i</sub> in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR<sub>i</sub> in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly); and
  - (bb) the reference in paragraph (i) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's

Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

“SOFR Index Cessation Effective Date” means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate) ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

“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 daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily 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 daily Secured Overnight Financing Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SOFR Reset Date” means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the “Cut-Off Period”);

“SOFR<sub>i</sub>” means, in relation to any Interest Period and any U.S. Government Securities Business Day “i”:

- (i) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (ii) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off

Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period; and

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

- (c) The Issuer may at any time, following consultation with an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets (in each case appointed by the Issuer at its own expense), specify such changes to paragraph (iii) of the definition of “SOFR” set out in this Condition 5B.4G as it determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4G(c)). For the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as may be required to give effect to the application of this Condition 5B.4G(c).

Prior to any such amendment, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee confirming that the Issuer has made the relevant determinations in accordance with this Condition 5B.4G(c), such amendments are required to give effect to any application of this Condition 5B.4G(c) and attaching the proposed amendments and the Trustee shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Holders of the Notes or to any other person for any consequences thereof, irrespective of whether any such modification is or may be materially prejudicial to the interests of such person. No consent of the Holders of the Notes or of the Couponholders shall be required in connection with effecting such changes, including for the execution of, or amendments to, any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required)). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (1) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (2) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Issuer shall promptly following the determination of any changes pursuant to this Condition 5B.4G(c) give notice thereof to the Trustee, the Issue and Paying Agent, the Calculation Agent and the Holders.

*H. Reference Rate Replacement*

If:

- (1) Reference Rate Replacement is specified as applicable in the Final Terms;

- (2) Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined; and
- (3) notwithstanding the provisions of Condition 5B.4A above, a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or component thereof) remains to be determined by reference to such Original Reference Rate,

then the following provisions shall apply to the relevant Series of Notes:

- (a) The Issuer shall use reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, to determine a Successor Reference Rate or, if such Independent Adviser is unable so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4H during any other future Interest Period(s)).
- (b) Subject to paragraph (c) of this Condition 5B.4H, if:
  - (i) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**IA Determination Cut-off Date**"), determines a Successor Reference Rate or, if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Rate of Interest (or component thereof) applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4H during any other future Interest Period(s)); or
  - (ii) the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 5B.4H fails to determine a Successor Reference Rate or an Alternative Reference Rate prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner), no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**Issuer Determination Cut-off Date**"), determines a Successor Reference Rate or, if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate (as applicable) and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Rate of Interest (or component thereof) applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4H during any other future Interest Period(s)),

then:

- (A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be used in place of the Original Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4H during any other future Interest Period(s)).

Without prejudice to the definitions thereof, for the purposes of determining an Alternative Reference Rate, the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Issuer, in its sole discretion, considers appropriate; and

- (B) if the relevant Independent Adviser or the Issuer (as applicable) determines an Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4H).

- (c) Notwithstanding any other provision of this Condition 5B.4 above, if:

- (i) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 5B.4H notifies the Issuer prior to the IA Determination Cut-off Date that it has determined that no Successor Reference Rate or Alternative Reference Rate exists or, in either case, that it is unable to determine the applicable Adjustment Spread; or
- (ii) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 5B.4H fails to determine a Successor Reference Rate or an Alternative Reference Rate and, in either case, the applicable Adjustment Spread, prior to the relevant IA Determination Cut-off Date, without notifying the Issuer as contemplated in sub-paragraph (c)(i) of this Condition 5B.4H, and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the Issuer Determination Cut-off Date that no Successor Reference Rate or Alternative Reference Rate exists or, in either case, that it is unable to determine the applicable Adjustment Spread,

and, in either case, neither a Successor Reference Rate nor an Alternative Reference Rate is otherwise determined, in each case, together with the applicable Adjustment Spread, in accordance with paragraph (b) of this Condition 5B.4H prior to the Issuer Determination Cut-off Date, the relevant Rate of Interest shall be determined as at the last preceding Interest Determination Date or, in the case of the first Interest Determination Date, the Rate of Interest shall be the Initial Rate of Interest (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place

of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

This paragraph (c) shall apply to the relevant Interest Period only. Any subsequent Interest Period(s) shall be subject to the operation of this Condition 5B.4H.

- (d) Promptly following the occurrence of a Benchmark Event and the determination of any Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread, as described in this Condition 5B.4H, the Issuer shall give notice that a Benchmark Event has occurred, including detailing the Successor Reference Rate or Alternative Reference Rate (as applicable) and the Adjustment Spread (and the effective date(s) thereof), pursuant to this Condition 5B.4H to the Trustee, the Issue and Paying Agent and the Holders.
- (e) The Trustee and the Issue and Paying Agent shall, at the direction and expense of the Issuer, effect such waivers and consequential amendments to the Trust Deed, the Agency Agreement, these Conditions and any other document as may be required to give effect to any application of this Condition 5B.4H, including, but not limited to:
  - (i) changes to these Conditions which the relevant Independent Adviser or the Issuer (as applicable) determines may be required in order to follow market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (A) the relevant Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre, Relevant Screen Page and/or Relevant Time applicable to the Notes and (B) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
  - (ii) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

Prior to any such waivers and/or consequential amendments taking effect, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee and the Issue and Paying Agent that such waivers and/or consequential amendments are required to give effect to any application of this Condition 5B.4H and the Trustee and the Issue and Paying Agent shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Holders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. Such changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5B.4H).

The Trustee shall not be obliged to agree to any modification if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed.

No consent of the Holders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate as described in this Condition 5B.4H or such other relevant adjustments pursuant to this Condition 5B.4H, or the Adjustment Spread, including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

For the purposes of this Condition 5B.4H:

“Adjustment Spread” means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, in each case to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is customarily applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (c) if the relevant Independent Adviser or the Issuer (as applicable) determines there is no such spread, formula or methodology customarily applied, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable);

“Alternative Reference Rate” means the rate which is customarily applied in international debt capital markets transactions for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if the relevant Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate;

“Benchmark Event” means:

- (a) the Original Reference Rate ceasing to be published for at least five consecutive Business Days or ceasing to exist or be administered; or
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such rate) and (ii) the date falling six months prior to the specified date referred to in (b)(i); or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that such rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that such rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i); or
- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means such rate will be prohibited from being used, either generally or in respect of the Notes, or that such use will be subject to restrictions or adverse consequences, in each case on or before a specified date, and (ii) the date falling six months prior to the specified date referred to in (e)(i); or
- (f) an official announcement by the regulatory supervisor of the administrator of the Original Reference Rate that such rate is no longer representative; or
- (g) it has become, or will become prior to the next Interest Determination Date, unlawful for any Paying Agent, the Issuer or any other party specified in the Final Terms as being responsible for such calculations to calculate any payments due to be made to any Holder or Couponholder using the Original Reference Rate.

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any relevant component part(s) thereof) on the Notes (or, if applicable, any other successor or alternative rate (or component part thereof)) determined and applicable to the Notes pursuant to the earlier operation of this Condition 5B.4H;

“Relevant Nominating Body” means, in respect of any Original Reference Rate:

- (a) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (b) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which such Original Reference Rate relates, (ii) any central bank or other supervisory authority

which is responsible for supervising the administrator of such Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof;

“Successor Reference Rate” means the rate which has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the relevant Original Reference Rate by any Relevant Nominating Body;

#### **5B.5 *Minimum Rate of Interest and/or Maximum Rate of Interest***

If the Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5B above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5B above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

#### **5B.6 *Determination of Rate of Interest and calculation of Interest Amounts***

The Issue and Paying Agent or, in the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent will notify the Issue and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Issue and Paying Agent or, in the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent, will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one

Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y - Y)] + [30 \times (M - M)] + (D - D)}{360}$$

where:

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

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

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

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y - Y)] + [30 \times (M - M)] + (D - D)}{360}$$

where:

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

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

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

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y - Y)] + [30 \times (M - M)] + (D - D)}{360}$$

where:

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

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

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

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

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

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

#### **5B.7** *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

#### **5B.8** *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent or, in the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and any stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to the Holders in accordance with Condition 14. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

#### **5B.9** *Determination or calculation on default*

If for any reason at any relevant time the Issuer and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or to calculate any Interest Amount in accordance with Condition 5B.3 or 5B.4, as the case may be, and in each case in accordance with Conditions 5B.6 and 5B.7 the Issuer shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 5B, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest

specified in the Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Issuer shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Issuer may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Issue and Paying Agent or the Calculation Agent, as applicable.

#### **5B.10** *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5B, whether by the Issue and Paying Agent or, if applicable, the Calculation Agent or (in the context of Condition 5B.4H only) an Independent Adviser shall (in the absence of manifest error) be binding on the Issuer, the Issue and Paying Agent, the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Holders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders or any other person shall attach to the Issue and Paying Agent or, if applicable, the Calculation Agent or (in the context of Condition 5B.4H only) an Independent Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **5C** **Accrual of interest**

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption (being the Maturity Date or any other date for redemption pursuant to these Conditions) unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

### **6. PAYMENTS**

#### **6.1** **Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and which, in the case of a payment on a Note in bearer form for U.S. federal income tax purposes, shall be an account outside the United States, except as may be permitted by U.S. federal income tax law) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (in no event, however, shall payment in respect of a Note in bearer form for U.S. federal income tax purposes be made by cheque mailed to an address in the United States); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

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

Payments of principal in respect of Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Bearer Notes, and payments of interest in respect of Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

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

### **6.3 U.S. Paying Agent**

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

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

### **6.4 Registered Notes**

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the Registered Note appearing in the register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and

Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if: (i) a Holder does not have a Designated Account; or (ii) the nominal amount of the Registered Notes held by a Holder is less than US\$250,000 (or its approximate equivalent in any other Specified Currency) payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a Holder with a Designated Bank and identified as such in the register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the Holder (or the first named of joint Holders) of the Registered Note appearing in the register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at its address shown in the register on the Record Date and at its risk. Upon application of the Holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the Holder who has made the initial application until the Registrar is notified in writing to the contrary by such Holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such Holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

## **6.5 Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation (in the case of Notes in

definitive form only), London and each Additional Financial Centre specified in the Final Terms; and

- (ii) either: (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **6.6 Interpretation of principal and interest**

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.5); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption of Notes at Maturity**

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

### **7.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate

Note), on giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 14 (which notice shall be irrevocable), if immediately prior to the giving of such notice the Issuer satisfies the Trustee that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

The Issuer shall be deemed to have satisfied the Trustee as referred to in the preceding paragraph if prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall have delivered to the Trustee: (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 7.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 7.2.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together, if appropriate, with interest accrued to (but excluding) the date of redemption.

### **7.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Issue and Paying Agent and the Trustee,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than a Higher Redemption Amount. In the case of a partial redemption of Notes in definitive form, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). A list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

For the purposes of this Condition 7.3, the Optional Redemption Amount shall be, as specified in the Final Terms, (i) the Make Whole Redemption Price or (ii) the amount per Calculation Amount specified in the Final Terms.

If Spens Amount is specified in the Final Terms, the Make Whole Redemption Price shall be an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed and (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Determination Agent.

If Make Whole Redemption Amount is specified in the Final Terms, the Make Whole Redemption Price shall be an amount calculated by the Determination Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 7.3:

“Determination Agent” means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

“FA Selected Bond” means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term to the Maturity Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term to the Maturity Date;

“Gross Redemption Yield” means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts”; “Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve in consultation with any relevant expert (such expert to be selected by the Trustee and approved by the Issuer), whose fees shall be payable together with the Trustee’s fees by the Issuer;

“Redemption Margin” shall be as set out in the Final Terms;

“Reference Bond” shall be as set out in the Final Terms or the FA Selected Bond;

“Reference Bond Price” means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Bond Rate” means, with respect to any Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Redemption Date;

“Reference Date” will be set out in the relevant notice of redemption;

“Reference Government Bond Dealer” means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any Redemption Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the Final Terms on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

“Remaining Term Interest” means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to the Maturity Date determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date.

#### **7.4 Redemption at the option of the Holders of the Notes (Investor Put)**

If Investor Put is specified as being applicable in the Final Terms, upon the Holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days’ notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the Holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition.

#### **7.5 Early Redemption Amount**

For the purpose of Conditions 7.2 and 10, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) at the amount specified in the Final Terms or, if no such amount or manner is so specified in the Final Terms, at its nominal amount; or
- (ii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

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

where:

“RP” means the Reference Price;

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

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

## **7.6 Purchases**

The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, any unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

## **7.7 Cancellation**

All Notes which are redeemed or purchased will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Issue and Paying Agent and cannot be re-issued or resold.

## **7.8 Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero

Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Issue and Paying Agent, the Registrar or the Trustee, as the case may be, and notice to that effect has been given to the Holders in accordance with Condition 14.

## **8. TAXATION**

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom, or any political sub-division of, or any authority of, or in, the United Kingdom having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of any requirement to make such withholding or deduction; except that no such additional amounts shall be payable in relation to any Note or Coupon:

- (i) presented for payment by, or on behalf of, a Holder who is liable for such taxes, duties or governmental charges in respect of such Note or Coupon by reason of its having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (ii) presented for payment by, or on behalf of, a Holder who would be able to avoid such withholding or deduction by complying with any statutory requirements (including, but not limited to, obtaining and/or presenting any form of certificate) or by making a declaration or any other statement or claim for exemption (including, but not limited to, a declaration of non-residence), but fails to do so; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.5).

As used in these Conditions, the "Relevant Date" means the date on which such payment first becomes due and payable, except that, if the full amount of the moneys payable has not been duly received by the Issue and Paying Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 14.

## 9. PRESCRIPTION

Claims in respect of principal and interest or other sums payable hereunder will be prescribed unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date (as defined in Condition 8) in relation thereto, subject to the provisions of Condition 6.2.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

The Trustee at its discretion may, and if so requested in writing by the Holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Holders shall (subject to in each case being indemnified and/or secured and/or prefunded to its satisfaction in accordance with Clause 10 of the Trust Deed), (but, in the case of the happening of any of the events mentioned in paragraphs (ii), (v), (vi) and (vii) below in relation to the Issuer and (iii) to (vii) below (inclusive) in relation to the Principal Subsidiary, only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Holders) give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (as referred to in Condition 7.5), together with accrued interest as provided in the Trust Deed, if any of the following events shall occur and be continuing:

- (i) if default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Notes or any of them; or
- (ii) if default is made by the Issuer in the performance or observance of any obligation, condition or provision binding upon it under the Notes or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes) and, except where such default is, in the opinion of the Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Trustee may permit) after written notice thereof has been given by the Trustee to the Issuer requiring the same to be remedied; or
- (iii) if an order is made or an effective resolution is passed for the winding-up of, or an administration order is made in relation to, the Issuer or the Principal Subsidiary (save, in the case of the Principal Subsidiary, (a) with the prior written consent of the Trustee or the prior sanction of an Extraordinary Resolution of the Holders for the purposes of or in connection with an amalgamation or reconstruction, or (b) a voluntary solvent winding-up where surplus assets are available for distribution); or
- (iv) if the Issuer or the Principal Subsidiary stops or threatens to stop payment to its creditors generally or the Issuer or the Principal Subsidiary ceases or threatens to cease to carry on its business or substantially the whole of its business (except for the purposes of, or in connection with, a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or an Extraordinary Resolution of the Holders or, in the case of the Principal Subsidiary, such a winding-up as is referred to in (iii)(b) above); or

- (v) if an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the undertaking, property and assets of the Issuer or the Principal Subsidiary or if a distress or execution is levied or enforced upon or sued out against the whole or any substantial part of the chattels or property of the Issuer or the Principal Subsidiary and, in the case of any of the foregoing events, is not discharged within 60 days or such longer period as the Trustee may allow; or
- (vi) if the Issuer or the Principal Subsidiary is unable to pay its debts within the meaning of Section 123(2) of the Insolvency Act 1986; or
- (vii) if any indebtedness for moneys borrowed (as defined below) of the Issuer or the Principal Subsidiary (which indebtedness in respect of any single company has an outstanding aggregate principal amount of at least £30,000,000 (or its equivalent in any other currency or currencies)) is not paid on its due date as extended by any applicable grace period and following a demand therefor or is declared to be or automatically becomes due and payable prior to its stated maturity by reason of default or if any guarantee or indemnity in respect of indebtedness for moneys borrowed of any third party given by the Issuer or the Principal Subsidiary (having in respect of any single company an outstanding aggregate principal amount as aforesaid) is not honoured when due and called upon and, in any such case, the liability of the Issuer or the Principal Subsidiary, as the case may be, to make payment is not being contested in good faith.

“Indebtedness for moneys borrowed” means the principal amount of (a) all moneys borrowed and (b) all debentures (together in each case with any fixed or minimum premium payable on final redemption or repayment) which are not for the time being beneficially owned by Prudential or any of its Subsidiaries.

The Trustee may at its discretion institute such proceedings as it may think fit to enforce the obligations of the Issuer under the Trust Deed, the Notes and the Coupons but it shall not be bound to institute any such proceedings or take any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Holders or so requested in writing by the Holders of 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 in accordance with Clause 10 of the Trust Deed. No Holder shall be entitled to institute proceedings directly against the Issuer unless the Trustee having become bound so to proceed fails to do so within a reasonable time and such failure is continuing.

## **11. REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **12. PAYING AGENTS**

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

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

- (a) there will at all times be an Issue and Paying Agent and, in respect of Registered Notes, a Registrar; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

In addition, the Issuer shall appoint a Paying Agent approved in writing by the Trustee having a specified office in New York City in the circumstances described in Condition 6.3. Notice of any variation, termination, appointment or change in Paying Agents will be given to Holders promptly by the Issuer in accordance with Condition 14.

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

## **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issue and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

## **14. NOTICES**

All notices regarding Bearer Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of publication in the last of such newspapers.

Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issue and Paying Agent.

## **15. MEETINGS OF HOLDERS, MODIFICATION, WAIVER, DETERMINATION AND SUBSTITUTION ETC.**

### **15.1 Meetings**

The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes and the Coupons relating to them or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request of Holders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting and on all Holders of Coupons.

The Trust Deed contains provisions for an Extraordinary Resolution to take the form of an instrument or instruments signed by the Holder or the Holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding.

### **15.2 Modifications**

The Trustee may agree, without the consent of the Holders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven.

Any modification, waiver, authorisation or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

The Trustee shall be obliged to concur with the Issuer in effecting any amendments to the interest calculation provisions and provisions related thereto of the Notes in the circumstances and as otherwise set out in Condition 5B without the requirement for the consent or sanction of the Holders or Couponholders.

### **15.3 Substitution**

- (a) Subject as provided in the Trust Deed, the Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the Holders, may agree with the Issuer, without the consent of the Holders, to the substitution in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons of: (i) any Subsidiary of the Issuer; (ii) any successor in business of the Issuer; (iii) any Holding Company of the Issuer; or (iv) any other Subsidiary of such Holding Company provided that except where the new principal debtor is the successor in business or Holding Company of the Issuer the obligations of such new principal debtor under the Trust Deed, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by the Issuer or its Holding Company.
- (b) Any substitution in accordance with the provisions of this Condition 15.3 shall be binding on the Holders and, unless the Trustee agrees otherwise, any such substitution shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

In this Condition 15.3:

“Holding Company” means a parent undertaking within the meaning set out in section 1162 of the Companies Act 2006;

### **15.4 Exercise of Trustee’s powers and discretions**

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities or discretions for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders, except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

**16. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Holders and the holders of the notes of other series in circumstances where the Trustee so decides.

**17. GOVERNING LAW**

The Trust Deed, the Notes and the Coupons (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, English law.

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

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

## PART 2

### TERMS AND CONDITIONS OF THE TIER 2 NOTES

This Note is issued by M&G plc the (“Issuer”) and is one of a Series (as defined below) of Notes constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee (the “Trustee”, which expression shall include any successor trustee) for the Holders (as defined below) of such Notes. References herein to the “Notes” shall be references to the Notes of this Series. As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as modified and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 20 December 2019 and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “Issue and Paying Agent”, which expression shall include any successor agent), Citibank, N.A., London Branch as registrar in respect of Notes in registered form and as paying agent (the “Registrar”, which expression shall include any successor registrar and together with the Issue and Paying Agent, unless the context otherwise requires, the “Paying Agents”, which expression shall include any additional or successor paying agents) and the Trustee.

The Final Terms for this Note (or the relevant provisions thereof) are attached to or endorsed on this Note and complete these Terms and Conditions (these “Conditions”) for the purposes of this Note. References to the “Final Terms” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Copies of the Trust Deed and the Agency Agreement are available for inspection on weekdays during normal business hours at the registered office of the Issuer, the registered office for the time being of the Trustee (being at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified office of the Issue and Paying Agent. Copies of the Final Terms are available for viewing on weekdays during normal business hours at the registered office for the time being of the Issuer, the registered office for the time being of the Trustee and the specified office of the Issue and Paying Agent. In addition, copies of each Final Terms relating to Notes which are admitted to trading on the London Stock Exchange’s regulated market will be published on the website of the London Stock Exchange through a regulatory information service. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the European Economic Area will be published in accordance with Article 21(2) of Regulation (EU) 2017/1129 and the rules and regulations of the relevant regulated market. The Holders are deemed to have notice of, are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

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

## **1. FORM AND DENOMINATION**

### **1.1 Form**

Notes are issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”), as specified in the Final Terms, serially numbered and in the currency (the “Specified Currency”) and the denomination(s) (the “Specified Denomination(s)”) specified in the Final Terms, provided that, in the case of Notes which are to be admitted to trading on a regulated market within the European Economic Area, the minimum Specified Denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Note). Registered Notes are not exchangeable for Bearer Notes or vice versa. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

### **1.2 Coupons and Talons**

Interest-bearing definitive Bearer Notes have attached thereto, at the time of their initial delivery, coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, such Notes may have attached thereto, at the time of their initial delivery, a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.

### **1.3 Interest basis**

This Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include an EONIA Linked Interest Note, a SONIA Linked Interest Note, a Federal Funds Rate Linked Interest Note, a CMS Linked Interest Note, a Compounded Daily SOFR Linked Interest Note or a Weighted Average SOFR Linked Interest Note if this Note is specified as such in the Final Terms), a Reset Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the Final Terms.

### **1.4 Denomination of Bearer Notes**

Bearer Notes are in the Specified Denomination or Specified Denominations specified in the Final Terms.

### **1.5 Denomination of Registered Notes**

Registered Notes are in the minimum Specified Denomination or Specified Denominations specified in the Final Terms or integral multiples thereof.

### **1.6 Currency of Notes**

The Notes are denominated in the Specified Currency specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

## **2. TITLE AND TRANSFER**

### **2.1 Title to Bearer Notes**

Title to Bearer Notes and Coupons passes by delivery. References herein to the “Holders” in relation to Bearer Notes or Coupons are to the bearers of such Bearer Notes or such Coupons.

### **2.2 Title to Registered Notes**

Title to Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar. References herein to the “Holders” in relation to Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register.

### **2.3 Holder as owner**

The Holder of any Bearer Note, Coupon or Registered Note will (except as otherwise required by applicable law or any regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon or any theft or loss thereof) and no person shall be liable for so treating such Holder.

### **2.4 Transfer of Registered Notes**

A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part (provided that such part is, or is an integral multiple of, the minimum Specified Denomination specified in the Final Terms) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

### **2.5 New Registered Notes**

Each new Registered Note to be issued upon the transfer of a Registered Note will, within five Relevant Banking Days of the Transfer Date, be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address as may be specified by such Holder. For these purposes, a form of transfer received by the Registrar after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment.

### **2.6 No charges upon transfer**

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Registrar may require in respect of) any tax, duty or other governmental charge of whatsoever nature which may be levied or imposed in relation thereto.

## **2.7 144A Legend**

- (a) Upon the transfer or replacement of Definitive Registered Notes or Rule 144A Global Notes bearing the 144A legend (the “144A Legend”) set forth in the relevant form of Registered Note scheduled to the Trust Deed, or upon specific request for removal of the 144A Legend, the Registrar shall deliver only Registered Notes that also bear such legend unless there is delivered to the Issuer and the Registrar such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States, that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.
- (b) The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its affiliates not to acquire any beneficial interest, in any Registered Note bearing the 144A Legend unless it notifies the Registrar of such acquisition. Each Paying Agent, the Registrar, the Trustee and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

## **2.8 Information to Holders**

For so long as any of the Registered Notes bearing the 144A Legend remains outstanding and is a “restricted security” within the meaning of Rule 144(a)(3) under the United States Securities Act of 1933 (the “Securities Act”), the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any Holder at the specified office of each of the Paying Agents and the Registrar in connection with any sale thereof and any prospective purchaser of such Notes from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) in relation to it, under the Securities Act.

## **3. STATUS OF THE NOTES**

The Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

## **4. REGULATORY CAPITAL**

### **4.1 Regulatory capital status**

The Notes are intended to constitute Tier 2 Capital of the Issuer and of the Group from time to time. More particularly, it is intended that this Note should constitute Tier 2 Own Funds of the Issuer and of the Group as at the Issue Date of this Note.

### **4.2 Regulatory capital conditions**

These Conditions and the Final Terms shall be subject to, and shall be qualified in their entirety by, the terms and conditions set out in this Condition 4. Nothing in any other Condition or provision of the Final Terms shall, nor shall it be implied to, modify or amend the terms and conditions set out in this Condition 4 at any time.

### **4.3 Minimum maturity of Dated Notes**

Unless previously redeemed, substituted or purchased and cancelled in compliance with the requirements of this Condition 4, the Maturity Date of Dated Notes shall occur no earlier than the tenth anniversary of the Issue Date of those Notes.

### **4.4 Subordination**

The rights of Holders of the Notes and any relative Coupons against the Issuer to payment of any amounts under or arising from the Notes, any relative Coupons and the Trust Deed relating to them or arising therefrom are, in the event of the winding-up of the Issuer, subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors, but shall rank at least *pari passu* with all other obligations of the Issuer which constitute or would, but for any applicable limitation on the amount of such capital, constitute Tier 2 Capital and in priority to those whose claims constitute or would, but for any applicable limitation on the amount of such capital, constitute Tier 1 Capital and in priority to the claims of holders of all classes of share capital of the Issuer.

### **4.5 Solvency Condition**

- (a) All payments under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom, other than payments to the Trustee made in accordance with the Trust Deed in respect of, *inter alia*, the Trustee's fees, and remuneration and expenses and liabilities incurred by the Trustee in carrying out its duties under the Trust Deed, shall be conditional upon the Issuer satisfying the Solvency Condition both at the time of, and immediately after, any such payment.
- (b) The Issuer will not make any payment and any such payment shall not be payable under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom unless the Issuer satisfies the Solvency Condition both at the time of, and immediately after, any such payment. For this purpose, the Issuer shall satisfy the Solvency Condition if:
  - (i) it is able to pay its debts to all Senior Creditors, the Holders of the Notes and the holders of any Parity Securities, as they fall due; and
  - (ii) its total Assets exceed total Liabilities, other than Liabilities to persons that are neither Senior Creditors nor the Holders of the Notes nor the holders of Parity Securities, by at least 4 per cent. or such other percentage specified by the PRA from time to time as the Regulatory Capital Requirement.
- (c) A report as to the solvency of the Issuer by two Directors of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors, or, if there is a winding-up of the Issuer in England and Wales, the liquidator of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee and the Holders of the Notes and any relative Coupons as correct and sufficient evidence thereof.

### **4.6 Solvency Capital Requirement and Minimum Capital Requirement**

- (a) All payments under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom, other than payments to the Trustee made in accordance with the

Trust Deed in respect of, *inter alia*, the Trustee's fees, and remuneration and expenses and liabilities incurred by it in carrying out its duties under the Trust Deed, shall, unless otherwise permitted by the PRA, be conditional upon both the Solvency Capital Requirement and the Minimum Capital Requirement being met both at the time of, and immediately after, any such payment.

- (b) Unless otherwise permitted by the PRA, the Issuer will not make any payment and any such payment shall not be payable under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom, unless both the Solvency Capital Requirement and the Minimum Capital Requirement are met both at the time of, and immediately after, any such payment.
- (c) A report as to the Issuer's compliance with the Solvency Capital Requirement or the Minimum Capital Requirement (or both) signed by two Directors of the Issuer or, if there is a winding-up of the Issuer in England and Wales, the liquidator of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee and the Holders of the Notes and any relative Coupons as correct and sufficient evidence thereof.

#### **4.7 Arrears of Interest**

- (a) If the Issuer does not make any interest payment as a result of the Issuer not satisfying the Solvency Condition, or either the Solvency Capital Requirement or the Minimum Capital Requirement (or both) not being met, both at the time of, and immediately after, such payment, or (where Insolvent Insurer Winding-up Condition is specified as applicable in the Final Terms) because an Insolvent Insurer Winding-up has occurred and is continuing on the relevant payment date, or following an election made by the Issuer pursuant to Condition 6 or Condition 7, that payment shall constitute Arrears of Interest until paid.
- (b) No interest will accrue on Arrears of Interest.
- (c) Arrears of Interest may be paid in whole or in part (as specified in the notice given by the Issuer) at any time upon the Issuer giving notice thereof to the Trustee and the Issue and Paying Agent in writing and to the Holders in accordance with Condition 21 not less than five Business Days prior to the proposed date for payment.
- (d) Arrears of Interest will become payable in full on the redemption of the Notes or purchase of the Notes by or on behalf of the Issuer or, subject to the provisions of Conditions 4.4, 4.5 and 4.6, upon the commencement of the winding-up of the Issuer, but so that in the case of payment of only part of the Arrears of Interest, the interest accrued during any Interest Period shall not be paid prior to that accrued during an earlier Interest Period.
- (e) Unless otherwise permitted by the PRA, the Issuer will not pay any amount in respect of Arrears of Interest and any such payment shall not be payable under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom, unless the Issuer satisfies the Solvency Condition, and both the Solvency Capital Requirement and the Minimum Capital Requirement are met, both at the time of, and immediately after, any such payment, and (where Insolvent Insurer Winding-up Condition is specified as applicable in the Final Terms) no Insolvent Insurer Winding-up has occurred and is continuing on the proposed date for payment.

#### **4.8 Conditions to redemption, variation, substitution, conversion and purchase**

- (a) Except as otherwise indicated to the Issuer by the PRA, the Issuer may not redeem, vary, substitute, convert or purchase any Notes unless the Issuer has given prior notice to the PRA and the PRA has given its prior approval or consented in the form of a waiver or otherwise to such redemption, variation, substitution, conversion or purchase, in each case in accordance with, and to the extent required under, the Capital Regulations applicable in relation to Tier 2 Capital.
- (b) Neither the Issuer nor any Subsidiary may redeem or purchase any Notes unless on and immediately after the relevant Redemption Date or date on which the Notes are to be purchased:
  - (i) the Issuer is in compliance with the Regulatory Capital Requirement;
  - (ii) the Issuer satisfies the Solvency Condition;
  - (iii) both the Solvency Capital Requirement and the Minimum Capital Requirement are met; and
  - (iv) no Insolvent Insurer Winding-up has occurred and is continuing,or, in each case, as otherwise permitted by the PRA.
- (c) The PRA may impose further conditions on any redemption, variation, substitution, conversion or purchase at the relevant time.
- (d) The Trustee shall be entitled to rely on a certificate signed by two Directors of the Issuer as to whether or not the conditions to redemption, substitution, variation or purchase are met, including as to whether an Insolvent Insurer Winding-up has occurred and is continuing and, if the Trustee does so rely, such certificate shall, in the absence of manifest error, be conclusive and binding on the Holders.

#### **4.9 Postponement of Redemption Date**

- (a) If redemption of the Notes is to be postponed as a result of one or more of the conditions set out in Condition 4.8 not being met, the Issuer shall notify the Trustee and the Issue and Paying Agent in writing and notify the Holders in accordance with Condition 21 no later than two Business Days prior to the scheduled Redemption Date (or as soon as reasonably practicable if the relevant circumstance requiring redemption to be deferred arises, or is determined, less than two Business Days prior to the Redemption Date).
- (b) If redemption does not occur on the relevant Redemption Date as a result of the Issuer not satisfying the Solvency Condition both on, and immediately after, the relevant Redemption Date, or because the PRA has not given its prior approval or consented in the form of a waiver or otherwise to such redemption in accordance with, and to the extent required under, the Capital Regulations applicable in relation to Tier 2 Capital, the Notes shall be redeemed at their principal amount outstanding or, if applicable, the Make Whole Redemption Price, on the date falling 10 Business Days after the first date following the relevant Redemption Date

on which the Issuer satisfies the Solvency Condition and would continue to do so if the Notes were redeemed on such date and on which the PRA has given its prior approval or consented in the form of a waiver or otherwise to such redemption in accordance with, and to the extent required under, the Capital Regulations applicable in relation to Tier 2 Capital.

- (c) No interest will accrue on any amounts not paid on the Notes as a result of the Issuer not satisfying the Solvency Condition both on and immediately after the relevant Redemption Date, provided, however, that interest will accrue at the rate of interest specified in Condition 8 (in the case of Fixed Rate Notes), Condition 9 (in the case of Reset Notes), Condition 10 (in the case of Floating Rate Notes) or Condition 11 (in the case of Fixed/Floating Rate Notes) on such amounts from (and including) the 14th day following the date on which such amounts become due and payable as set out in paragraph (b) of this Condition 4.9 to (but excluding) the date on which such amounts are paid.
- (d) If redemption does not occur on the Redemption Date as a result of either the Solvency Capital Requirement or the Minimum Capital Requirement (or both) not being met both on, and immediately after, the relevant Redemption Date, or because an Insolvent Insurer Winding-up has occurred and is continuing on the relevant Redemption Date, the Notes shall be redeemed at their principal amount outstanding or, if applicable, the Make Whole Redemption Price upon the earlier of:
  - (i) the date falling 10 Business Days after the first date following the relevant Redemption Date on which both the Solvency Capital Requirement and the Minimum Capital Requirement are met and would continue to be met if the Notes were redeemed on such date, and on which no Insolvent Insurer Winding-up has occurred and is continuing;
  - (ii) the date falling 10 Business Days after the date on which the PRA has notified the Issuer of its waiver of the suspension of or agreement to the repayment or redemption of the Notes; and
  - (iii) the date on which an order is made, or an effective resolution is passed, for the winding-up in England and Wales of the Issuer (except a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer the terms of which reconstruction, amalgamation or substitution:
    - (A) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed); and
    - (B) do not provide that the Notes shall thereby become payable).
- (e) No interest will accrue on any amounts not paid on the Notes as a result of either the Solvency Capital Requirement or the Minimum Capital Requirement (or both) not being met both on, and immediately after, the relevant Redemption Date or because an Insolvent Insurer Winding-up has occurred and is continuing on the relevant Redemption Date, provided, however, that interest will accrue at the rate of interest specified in Condition 8 (in the case of Fixed Rate Notes), Condition 9 (in the case of Reset Notes), Condition 10 (in the case of Floating Rate Notes) or Condition 11 (in the case of Fixed/Floating Rate Notes) on

such amounts from (and including) the 14th day following the date on which such amounts become due and payable as set out in paragraph (d) of this Condition 4.9 to (but excluding) the date on which such amounts are paid.

- (f) The Issuer shall notify the Trustee and the Issue and Paying Agent in writing and notify the Holders in accordance with Condition 21 no later than five Business Days prior to the date on which the Notes are due to be redeemed pursuant to paragraph (b) or paragraph (d) of this Condition 4.9 of the revised Redemption Date.
- (g) The Issuer may not redeem any Notes pursuant to this Condition 4.9 unless the conditions to redemption set out in Condition 4.8 are met in respect of the revised Redemption Date.

#### **4.10 No default**

If the Issuer fails to pay any amount under or arising from the Notes, any relative Coupons and the Trust Deed relating to them:

- (i) in respect of which the Issuer does not satisfy the Solvency Condition, or either the Solvency Capital Requirement or the Minimum Capital Requirement is (or both are) not met, both at the time of, and immediately after, the time at which the same would otherwise be due and payable;
- (ii) (where Insolvent Insurer Winding-up Condition is specified as applicable in the Final Terms) because an Insolvent Insurer Winding-up has occurred and is continuing on the proposed date for payment; or
- (iii) because any of the other conditions in Condition 4.8 are not met,

such failure to pay shall not constitute a default for any purpose (including, but without limitation, Condition 17) on the part of the Issuer.

#### **4.11 Solvency Claims**

- (a) Without prejudice to the rest of these Conditions, amounts representing payments of any amount under or arising from the Notes, any relative Coupons and the Trust Deed relating to them in respect of which the Issuer does not satisfy the Solvency Condition, or either the Solvency Capital Requirement or the Minimum Capital Requirement is (or both are) not met, both at the time of, and immediately after, the time at which the same would otherwise be due and payable (“Solvency Claims”), or an Insolvent Insurer Winding-up has occurred and is continuing on the relevant payment date (as applicable), will be payable by the Issuer in a winding-up of the Issuer as provided in Condition 4.4.
- (b) A Solvency Claim shall not bear interest, except in the limited circumstances referred to in Condition 4.9.

#### **4.12 Set-off and counterclaim**

By acceptance of the Notes, each Holder of the Notes and the Trustee, on behalf of such Holders, will be deemed to have waived any right of set-off or counterclaim that such Holders might otherwise

have against the Issuer whether prior to or in bankruptcy or winding-up. Notwithstanding the preceding sentence, if any of the rights and claims of any Holder of the Notes are discharged by set-off, such Holder will immediately pay an amount equal to the amount of the rights and claims so discharged to the Issuer or, if applicable, the liquidator or the Trustee and, until payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator or the Trustee in the Issuer's winding-up. Accordingly, such discharge will be deemed not to have taken place.

#### **4.13 Events of default and enforcement**

- (a) No remedy shall be available to the Trustee or any Holder against the Issuer, whether for the recovery of amounts owing in respect of the Notes, the Coupons or under the Trust Deed relating to them or arising therefrom or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes, the Coupons or under the Trust Deed relating to them or arising therefrom, other than as provided for in Condition 17.
- (b) Notwithstanding any other provisions of these Conditions, the right to institute winding-up proceedings in respect of the Issuer is limited to circumstances where payment of amounts owing in respect of the Notes, the Coupons or under the Trust Deed relating to them or arising therefrom or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes, the Coupons or under the Trust Deed relating to them or arising therefrom, has become due.
- (c) No amount owing in respect of the Notes, the Coupons or under the Trust Deed relating to them or arising therefrom or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes, the Coupons or under the Trust Deed relating to them or arising therefrom shall be due if the Issuer does not satisfy the Solvency Condition, or either the Solvency Capital Requirement or the Minimum Capital Requirement is (or both are) not satisfied both at the time of, and immediately after, the time at which the same would otherwise be due and payable, or if the Issuer has elected or is required (as applicable) to defer the payment of such amount pursuant to Condition 5, Condition 6 or Condition 7.
- (d) The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, *inter alia*, its fees and remuneration and the expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The provisions as to subordination and the restrictions on commencing proceedings described below will not apply to any such claims.

#### **5. INSOLVENT INSURER WINDING-UP**

- (a) This Condition 5 is applicable to the Notes only if Insolvent Insurer Winding-up Condition is specified as applicable in the Final Terms.
- (b) All payments under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom, other than payments to the Trustee made in accordance with the Trust Deed in respect of, *inter alia*, the Trustee's fees, and remuneration and expenses and liabilities incurred by it in carrying out its duties under the Trust Deed, shall, unless otherwise permitted by the PRA, be conditional upon no Insolvent Insurer Winding-up having occurred that is continuing at the time of any such payment.

- (c) Unless otherwise permitted by the PRA, the Issuer will not make any payment and any such payment shall not be payable under or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom, if an Insolvent Insurer Winding-up has occurred and is continuing at the time of any such payment.
- (d) The Trustee shall be entitled to rely on a certificate signed by two Directors of the Issuer as to whether or not an Insolvent Insurer Winding-up has occurred and is continuing and, if the Trustee does so rely, such certificate shall, in the absence of manifest error, be conclusive and binding on the Holders.

## **6. DEFERRAL OF INTEREST PAYMENTS – ISSUER DISCRETION**

- (a) This Condition 6 is applicable to the Notes only if Optional Interest Deferral is specified as applicable in the Final Terms.
- (b) The Issuer may, by giving notice thereof to the Trustee and the Issue and Paying Agent in writing and to the Holders of the Notes in accordance with Condition 21 not more than 16 nor less than two Business Days prior to the relevant Interest Payment Date, elect to defer interest payments on the Notes:
  - (i) where Dividend and Capital Restriction is specified as not applicable in the Final Terms, on any Interest Payment Date; and
  - (ii) where Dividend and Capital Restriction is specified as applicable in the Final Terms, on any Interest Payment Date which is not a Compulsory Interest Payment Date,

provided that the Issuer may not give such notice if, at the time such notice is proposed to be given, a Regulatory Event has occurred and has been subsisting at such time for a continuous period of 180 days or more. For the purposes of this Condition 6(b), the Trustee shall be entitled to accept a certificate, signed by two Directors of the Issuer, stating that no Regulatory Event has occurred and has been subsisting at such time for a continuous period of 180 days or more as sufficient evidence thereof, in which event it shall be conclusive and binding on the Holders.

- (c) Notwithstanding any other provision in these Conditions or the Trust Deed, any payment which for the time being is not made on Notes by virtue of this Condition 6 shall not constitute a default for any purpose (including, but without limitation, Condition 17) on the part of the Issuer.

## **7. DEFERRAL OF INTEREST PAYMENTS – CAPITAL ADEQUACY CONDITION**

- (a) This Condition 7 is applicable to the Notes only if Capital Adequacy Interest Deferral is specified as applicable in the Final Terms.
- (b) The Issuer may, by giving notice thereof to the Trustee and the Issue and Paying Agent in writing and to the Holders of the Notes in accordance with Condition 21 not more than 16 nor less than two Business Days prior to the relevant Interest Payment Date, elect to defer interest payments on the Notes:

- (i) where Dividend and Capital Restriction is specified as not applicable in the Final Terms, on any Interest Payment Date on which the Issuer determines in its sole discretion (by reference to the Issuer's then current financial condition), on or after the 20th Business Day, but not later than the fifth Business Day, prior to such Interest Payment Date that the Capital Adequacy Condition will not be met both at the time of, and immediately after, making the relevant interest payment; and
- (ii) where Dividend and Capital Restriction is specified as applicable in the Final Terms, on any Interest Payment Date on which the Issuer determines in its sole discretion (by reference to the Issuer's then current financial condition), on or after the 20th Business Day, but not later than the fifth Business Day, prior to such Interest Payment Date that the Capital Adequacy Condition will not be met both at the time of, and immediately after, the relevant interest payment,

and such Interest Payment Date is not a Compulsory Interest Payment Date.

- (c) Notwithstanding any other provision in these Conditions or the Trust Deed, any payment which for the time being is not made on Notes by virtue of this Condition 7 shall not constitute a default for any purpose (including, but without limitation, Condition 17) on the part of the Issuer.

## **8. FIXED RATE NOTE PROVISIONS**

### **8.1 Application**

This Condition 8 is applicable to the Notes only if the Fixed Rate Note Provisions are specified as applicable in the Final Terms.

### **8.2 Accrual of interest**

- (a) Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) (as specified in the Final Terms).
- (b) Each Fixed Rate Note (or, in the case of the redemption of part only of a Fixed Rate Note, that part only of such Fixed Rate Note) will cease to bear interest (if any) from the due date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

### **8.3 Fixed Coupon Amount**

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

#### **8.4 Calculation of interest amount**

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

### **9. RESET NOTE PROVISIONS**

#### **9.1 Application**

This Condition 9 is applicable to the Notes only if the Reset Note Provisions are specified as applicable in the Final Terms.

#### **9.2 Accrual of interest**

- (a) Each Reset Note bears interest:
  - (i) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Interest Commencement Date), at the rate per annum equal to the Initial Rate of Interest; and
  - (ii) in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter), at such rate per annum as is equal to the relevant Subsequent Reset Rate, as determined by the Calculation Agent on the relevant Reset Determination Date in accordance with this Condition 9,

payable, in each case, in arrear on the Interest Payment Dates(s) (as specified in the Final Terms).

- (b) The Issue and Paying Agent will calculate the Interest Amount payable on the Reset Notes for the relevant period by applying the Initial Rate of Interest or the applicable Subsequent Reset Rate (as the case may be) to:
  - (i) in the case of Reset Notes that are represented by a Global Note, the aggregate outstanding nominal amount of the Reset Notes represented by such Global Note; or

- (ii) in the case of Reset Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Reset Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Reset Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

- (c) Each Reset Note (or, in the case of the redemption of part only of a Reset Note, that part only of such Reset Note) will cease to bear interest (if any) from the due date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

### **9.3 Subsequent Reset Rate Screen Page**

- (a) If on any Reset Determination Date the Subsequent Reset Rate Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Subsequent Reset Reference Rate at approximately the Subsequent Reset Rate Time on the Reset Determination Date in question.
- (b) If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Subsequent Reset Rate for the relevant Reset Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the applicable Reset Margin (if any), all as determined by the Calculation Agent.
- (c) If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the foregoing provisions of this Condition 9.3, the Subsequent Reset Rate shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Subsequent Reset Rate shall be the Initial Rate of Interest.

### **9.4 Mid Swap Rate Replacement**

If:

- (1) Mid Swap Rate Replacement is specified as applicable in the Final Terms; and
- (2) notwithstanding the provisions of Condition 9.3 above, a Benchmark Event occurs in relation to any Mid Swap Rate specified in the Final Terms when any Rate of Interest (or component thereof) remains to be determined by reference to such Mid Swap Rate (as applicable),

then the following provisions shall apply to the relevant Series of Notes:

- (a) The Issuer shall use reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, to determine an Alternative Mid Swap Rate and such other adjustments (which may equal zero) as referred to in this Condition 9.4 (in each case acting

in good faith and in a commercially reasonable manner) for the purposes of determining the Mid Swap Rate for all future Reset Periods (subject to the subsequent operation of this Condition 9.4 during any other future Reset Period(s)).

- (b) Subject to paragraph (c) of this Condition 9.4, if:
- (i) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner) determines no later than five Business Days prior to the Reset Determination Date relating to the next Reset Period (the “**IA Mid Swap Determination Cut-off Date**”) that another rate (the “**Alternative Mid Swap Rate**”) (x) has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the relevant Mid Swap Rate by any Relevant Nominating Body or (y) (if such Independent Adviser fails to determine a rate as described in (x) above) is customarily applied in international debt capital markets transactions for setting rates comparable to the Mid Swap Rate; or
  - (ii) the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 9.4 above fails to determine an Alternative Mid Swap Rate prior to the relevant IA Mid Swap Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) determines no later than three Business Days prior to the Reset Determination Date relating to the next Reset Period (the “**Issuer Mid Swap Determination Cut-off Date**”) that an Alternative Mid Swap Rate (x) has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the relevant Mid Swap Rate by any Relevant Nominating Body or (y) (if the Issuer fails to determine a rate as described in (x) above) is customarily applied in international debt capital markets transactions for setting rates comparable to the Mid Swap Rate,

then the Mid Swap Rate for all future Reset Periods (subject to the subsequent operation of this Condition 9.4 during any other future Reset Period(s)) shall be the arithmetic mean of bid and offered rates determined as provided in these Conditions but as if references therein to the Mid Swap Rate, as applicable, were references to the Alternative Mid Swap Rate and with such adjustments (which may equal zero) as are (in the sole determination of such Independent Adviser or the Issuer (as applicable) acting in good faith and in a commercially reasonable manner) necessary to take account of the adjustment factor to make such rates comparable to rates quoted on the basis of the Mid Swap Rate being replaced by operation of this Condition 9.4.

Without prejudice to the definition thereof, for the purposes of determining an Alternative Mid Swap Rate and/or applicable adjustments thereto (which may equal zero), the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Issuer, in its sole discretion, considers appropriate.

- (c) Notwithstanding Condition 9.3 above, if:
- (i) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 9.4 notifies the Issuer prior to the IA Mid Swap Determination Cut-off Date that it has determined that no rate is customarily applied in international debt capital markets transactions for setting rates comparable to the Mid Swap Rate or that it has been unable to determine the adjustments (which may equal zero) applying to any Alternative Mid Swap Rate; or
  - (ii) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 9.4 fails to determine an Alternative Mid Swap Rate, together with the adjustments (which may equal zero) applying to such Alternative Mid Swap Rate, prior to the relevant IA Mid Swap Determination Cut-off Date, without notifying the Issuer as contemplated in sub-paragraph (c)(i) of this Condition 9.4, and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the Issuer Mid Swap Determination Cut-off Date that no rate is customarily applied in international debt capital markets transactions for setting rates comparable to the Mid Swap Rate or, that it has been unable to determine the adjustments (which may equal zero) applying to any Alternative Mid Swap Rate,

and, in either case, an Alternative Mid Swap Rate, together with the adjustments (which may equal zero) applying to such Alternative Mid Swap Rate, is not otherwise determined in accordance with paragraph (b) of this Condition 9.4 prior to the Issuer Mid Swap Determination Cut-off Date, the Subsequent Reset Rate shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Subsequent Reset Rate shall be the Initial Rate of Interest (though substituting, where a different Margin is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin relating to the relevant Reset Period in place of the Margin relating to that last preceding Reset Period).

This paragraph (c) shall apply to the relevant Reset Period only. Any subsequent Reset Period(s) shall be subject to the operation of this Condition 9.4.

- (d) Promptly following the determination of any Alternative Mid Swap Rate as described in this Condition 9.4, the Issuer shall give notice that a Benchmark Event has occurred, including detailing the Alternative Mid Swap Rate and the adjustments (which may equal zero) (and the effective date(s) thereof), pursuant to this Condition 9.4 to the Trustee, the Issue and Paying Agent and the Holders.
- (e) The Trustee and the Issue and Paying Agent shall, at the direction and expense of the Issuer, effect such waivers and consequential amendments to the Trust Deed, the Agency Agreement, these Conditions and any other document as the relevant Independent Adviser or the Issuer (as applicable) determines may be required to give effect to any application of this Condition 9.4. Prior to any such waivers and/or consequential amendments taking effect, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee and the Issue and Paying Agent that such waivers and/or consequential amendments are required to give effect to any application of this Condition 9.4 and the Trustee and the Issue and Paying Agent shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be

liable to the Holders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. Such changes shall apply to the Notes for all future Reset Periods (subject to the subsequent operation of this Condition 9.4). No consent of the Holders shall be required in connection with effecting the relevant Alternative Mid Swap Rate as described in this Condition 9.4 or such other relevant adjustments pursuant to this Condition 9.4, including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

Notwithstanding the foregoing, the Trustee shall not be obliged to agree to any modification if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed.

Notwithstanding any other provision of this Condition 9.4 no Alternative Mid Swap Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 9.4, if and to the extent that, in the sole determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital of the Issuer or of the Group.

#### **9.5 Notification of Subsequent Reset Rate and Interest Amounts**

The Calculation Agent will cause the Subsequent Reset Rate and each Interest Amount for each Reset Period to be notified to the Issuer and the Trustee and any stock exchange or other relevant authority on which the relevant Reset Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 21 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter.

#### **9.6 Determination or calculation on default**

If for any reason at any relevant time, the Calculation Agent defaults in its obligation to determine the Subsequent Reset Rate or to calculate any Interest Amount in accordance with Condition 9.2 or 9.3, the Issuer shall determine the Subsequent Reset Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 9), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Issuer shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Issuer may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Calculation Agent.

#### **9.7 Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9, whether by the Calculation Agent or (in the context of Condition 9.4 only) an Independent Adviser, shall (in the absence of manifest error) be binding on the Issuer, the Issue and Paying Agent, the other Paying Agents, the Trustee and all Holders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders or any other person shall attach to the Calculation Agent or (in the context of Condition 9.4 only) an Independent Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **10. FLOATING RATE NOTE PROVISIONS**

### **10.1 Application**

This Condition 10 is applicable to the Notes only if the Floating Rate Note Provisions are specified as applicable in the Final Terms.

### **10.2 Accrual of interest**

- (a) Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the Rate of Interest and such interest will be payable in arrear on each Interest Payment Date. Such interest will be payable in respect of each Interest Period.
- (b) Each Floating Rate Note (or, in the case of the redemption of part only of a Floating Rate Note, that part only of such Floating Rate Note) will cease to bear interest (if any) from the due date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

### **10.3 ISDA Determination**

- (a) Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any).
- (b) The "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issue and Paying Agent under an interest rate swap transaction if the Issue and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option is as specified in the Final Terms;
  - (ii) the Designated Maturity is a period specified in the Final Terms; and
  - (iii) the relevant Reset Date is the day specified in the Final Terms.
- (c) In this Condition 10.3, the expressions "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

### **10.4 Screen Rate Determination**

- (a) Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, and unless Condition 10.5, 10.6, 10.7, 10.8, 10.9 or 10.10 applies, the Rate of Interest for each Interest Period will, subject as provided below, be either:
  - (i) the offered quotation; or

- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

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

- (b) If the Relevant Screen Page is not available or if, in the case of Condition 10.4(a)(i) above, no offered quotation appears or, in the case of Condition 10.4(a)(ii) above, fewer than three offered quotations appear, in each case as at the Relevant Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.
- (c) If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or if the Reference Rate is other than LIBOR or EURIBOR, the inter-bank market of the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone interbank market (if the Reference Rate is EURIBOR) or if the Reference Rate is other than LIBOR or EURIBOR, the inter-bank market of the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions

of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

#### **10.5 EONIA Linked Interest Notes**

- (a) Where the Reference Rate is specified as being EONIA, the Rate of Interest for each Interest Period will be the rate (expressed as a percentage per annum rounded to the nearest ten-thousandths of a percentage point, with 0.00005 being rounded upwards) which will be calculated by the Calculation Agent and equal to the sum of Capitalised EONIA plus the Margin by reference to the Relevant Screen Page.
- (b) If, for any day “i” in respect of which EONIA<sub>1</sub> is to be determined, the Calculation Agent determines that:
  - (i) the Relevant Screen Page is not available; or
  - (ii) on the TARGET Business Day following the day “i” in respect of which EONIA<sub>1</sub> is to be determined, no overnight rate as referred to in the definition of “EONIA<sub>1</sub>” appears for any reason,

the Issuer shall determine EONIA<sub>1</sub> for such day in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

#### **10.6 SONIA Linked Interest Notes**

- (a) Where the Reference Rate is specified as being SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) on the Interest Determination Date for such Interest Period.
- (b) Subject to the provisions of Condition 10.11, if, in respect of any London Business Day in the relevant Observation Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:
  - (i) the Bank of England’s Bank Rate (the “Bank of England Base Rate”) prevailing at close of business on the relevant London Business Day; plus
  - (ii) the mean of the spread of the SONIA reference rate to the Bank of England Base Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

- (c) Subject to the provisions of Condition 10.11, if the Rate of Interest cannot be determined in accordance with paragraphs (a) and (b) by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms), the Rate of Interest shall be:
- (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
  - (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).
- (d) If the Notes become due and payable in accordance with Condition 17, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on the Notes shall, for so long as any of the Notes remain outstanding, be that determined on such date.

#### **10.7 Federal Funds Rate Linked Interest Notes**

Where the Reference Rate is specified as being the Federal Funds Rate, the Rate of Interest for each Interest Period will be calculated by the Calculation Agent and shall be equal to the Weighted Average U.S. Federal Funds Rate.

#### **10.8 CMS Linked Interest Notes**

- (a) Where the Reference Rate is specified as being the CMS Reference Rate, the Rate of Interest for each Interest Period will be calculated by the Calculation Agent and shall be equal to the sum of the CMS Rate plus the Margin, determined by reference to the Relevant Screen Page.
- (b) If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

- (c) If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Issuer in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

#### **10.9 Compounded Daily SOFR Linked Interest Notes**

- (a) Where the Reference Rate is specified as being Compounded Daily SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) on the Interest Determination Date for such Interest Period.
- (b) The Issuer may at any time, following consultation with an Independent Adviser (appointed by the Issuer at its own expense), specify such changes to paragraph (iii) of the definition of "SOFR" set out in the definition of "Compounded Daily SOFR" as it determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 10.9(b)). For the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as may be required to give effect to the application of this Condition 10.9(b).

Prior to any such amendment, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee confirming that the Issuer has made the relevant determinations in accordance with this Condition 10.9(b), such amendments are required to give effect to any application of this Condition 10.9(b) and attaching the proposed amendments and the Trustee shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Holders of the Notes or to any other person for any consequences thereof, irrespective of whether any such modification is or may be materially prejudicial to the interests of such person. No consent of the Holders of the Notes or of the Couponholders shall be required in connection with effecting such changes, including for the execution of, or amendments to, any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (1) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (2) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Issuer shall promptly following the determination of any changes pursuant to this Condition 10.9(b) give notice thereof to the Trustee, the Issue and Paying Agent, the Calculation Agent and the Holders.

#### **10.10 Weighted Average SOFR Linked Interest Notes**

- (a) Where the Reference Rate is specified as being Weighted Average SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Weighted Average SOFR

plus or minus (as indicated in the Final Terms) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms) on the Interest Determination Date for such Interest Period.

- (b) The Issuer may at any time, following consultation with an Independent Adviser (appointed by the Issuer at its own expense), specify such changes to paragraph (iii) of the definition of "SOFR" set out in the definition of "Weighted Average SOFR" as it determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of rates determined in accordance with such paragraph, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 10.10(b)). For the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, effect such amendments to the Conditions together with such consequential amendments to the Trust Deed and Agency Agreement as may be required to give effect to the application of this Condition 10.10(b).

Prior to any such amendment, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee confirming that the Issuer has made the relevant determinations in accordance with this Condition 10.10(b), such amendments are required to give effect to any application of this Condition 10.10(b) and attaching the proposed amendments and the Trustee shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Holders of the Notes or to any other person for any consequences thereof, irrespective of whether any such modification is or may be materially prejudicial to the interests of such person. No consent of the Holders of the Notes or of the Couponholders shall be required in connection with effecting such changes, including for the execution of, or amendments to, any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (1) exposing the Trustee to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (2) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the documents to which it is a party and/or these Conditions. The Issuer shall promptly following the determination of any changes pursuant to this Condition 10.10(b) give notice thereof to the Trustee, the Issue and Paying Agent, the Calculation Agent and the Holders.

#### **10.11 Reference Rate Replacement**

If:

- (1) Reference Rate Replacement is specified as applicable in the Final Terms;
- (2) Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined; and
- (3) notwithstanding the provisions of Condition 10.4 above, a Benchmark Event occurs in relation to an Original Reference Rate (or component thereof) remains to be determined by reference to such Original Reference Rate,

then the following provisions shall apply to the relevant Series of Notes:

- (a) The Issuer shall use reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, to determine a Successor Reference Rate or, if such Independent Adviser is unable so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 10.11 during any other future Interest Period(s)).
- (b) Subject to paragraph (c) of this Condition 10.11, if:
- (i) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**IA Determination Cut-off Date**"), determines a Successor Reference Rate or, if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Rate of Interest (or component thereof) applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 10.11 during any other future Interest Period(s)); or
  - (ii) the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 10.11 fails to determine a Successor Reference Rate or an Alternative Reference Rate prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner), no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**Issuer Determination Cut-off Date**"), determines a Successor Reference Rate or, if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate (as applicable) and, in each case, an Adjustment Spread (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Rate of Interest (or component thereof) applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 10.11 during any other future Interest Period(s)),

then:

- (A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be used in place of the Original Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 10.11 during any other future Interest Period(s)).

Without prejudice to the definitions thereof, for the purposes of determining an Alternative Reference Rate, the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Issuer, in its sole discretion, considers appropriate; and

- (B) if the relevant Independent Adviser or the Issuer (as applicable) determines an Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of this Condition 10.11).
- (c) Notwithstanding any other provision of this Condition 10.4(b) above, if:
- (i) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 10.11 notifies the Issuer prior to the IA Determination Cut-off Date that it has determined that no Successor Reference Rate or Alternative Reference Rate exists or, in either case, that it is unable to determine the applicable Adjustment Spread; or
  - (ii) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 10.11 fails to determine a Successor Reference Rate or an Alternative Reference Rate and, in either case, the applicable Adjustment Spread, prior to the relevant IA Determination Cut-off Date, without notifying the Issuer as contemplated in sub-paragraph (c)(i) of this Condition 10.11, and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the Issuer Determination Cut-off Date that no Successor Reference Rate or Alternative Reference Rate exists or, in either case, that it is unable to determine the applicable Adjustment Spread,

and, in either case, neither a Successor Reference Rate nor an Alternative Reference Rate, in each case, together with the applicable Adjustment Spread, is otherwise determined in accordance with paragraph (b) of this Condition 10.11 prior to the Issuer Determination Cut-off Date, the relevant Rate of Interest shall be determined as at the last preceding Interest Determination Date or, in the case of the first Interest Determination Date, the Rate of Interest shall be the Initial Rate of Interest (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

This paragraph (c) shall apply to the relevant Interest Period only. Any subsequent Interest Period(s) shall be subject to the operation of this Condition 10.11.

- (d) Promptly following the occurrence of a Benchmark Event and the determination of any Successor Reference Rate or Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread, as described in this Condition 10.11, the Issuer shall give notice that a Benchmark Event has occurred, including detailing the Successor Reference Rate or Alternative Reference Rate (as applicable) and of the Adjustment Spread (and the effective date(s) thereof), pursuant to this Condition 10.11 to the Trustee, the Issue and Paying Agent and the Holders.
- (e) The Trustee and the Issue and Paying Agent shall, at the direction and expense of the Issuer, effect such waivers and consequential amendments to the Trust Deed, the Agency

Agreement, these Conditions and any other document as may be required to give effect to any application of this Condition 10.11, including, but not limited to:

- (i) changes to these Conditions which the relevant Independent Adviser or the Issuer (as applicable) determines may be required in order to follow market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (A) the relevant Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre, Relevant Screen Page and/or Relevant Time applicable to the Notes and (B) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
- (ii) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable).

Prior to any such waivers and/or consequential amendments taking effect, the Issuer shall provide a certificate signed by two Directors of the Issuer to the Trustee and the Issue and Paying Agent that such waivers and/or consequential amendments are required to give effect to any application of this Condition 10.11 and the Trustee and the Issue and Paying Agent shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Holders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. Such changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 10.11).

The Trustee shall not be obliged to agree to any modification if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed.

No consent of the Holders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate as described in this Condition 10.11 or such other relevant adjustments pursuant to this Condition 10.11, or the Adjustment Spread, including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

- (f) Notwithstanding any other provision of this Condition 10.11 no Successor Reference Rate or Alternative Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 10.11, if and to the extent that, in the sole determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital of the Issuer or of the Group.

#### **10.12 Minimum Rate of Interest and/or Maximum Rate of Interest**

- (a) If the Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of this Condition 10 is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.
- (b) If the Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of this Condition 10 is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

#### **10.13 Determination of Rate of Interest**

The Issue and Paying Agent or, in the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent will notify the Issue and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

#### **10.14 Calculation of Interest Amount**

- (a) The Issue and Paying Agent or, in the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent, will calculate the Interest Amount payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:
  - (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
  - (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.
- (b) Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

### **10.15 Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.

### **10.16 Notification of Rate of Interest and Interest Amounts**

- (a) The Calculation Agent or, in the case of Floating Rate Notes which are EONIA Linked Interest Notes, SONIA Linked Interest Notes, Federal Funds Rate Linked Interest Notes, CMS Linked Interest Notes, Compounded Daily SOFR Linked Interest Notes or Weighted Average SOFR Linked Interest Notes, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and any stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 21 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter.
- (b) Each Interest Amount and Interest Payment Date notified in accordance with Condition 10.16(a) may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or are for the time being listed or by which they have been admitted to listing and to the Holders in accordance with Condition 21.

### **10.17 Determination or calculation on default**

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest or to calculate any Interest Amount in accordance with this Condition 10, the Issuer shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 10, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Issuer shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Issuer may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Calculation Agent.

## **10.18 Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 10, whether by the Issue and Paying Agent or, if applicable, the Calculation Agent or (in the context of Condition 10.11 only) an Independent Adviser, shall (in the absence of manifest error) be binding on the Issuer, the Issue and Paying Agent, the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Holders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders or any other person shall attach to the Issue and Paying Agent or, if applicable, the Calculation Agent or (in the context of Condition 10.11 only) an Independent Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **11. FIXED/FLOATING RATE NOTES**

### **11.1 Application**

This Condition 11 is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified as applicable in the Final Terms.

### **11.2 Fixed/Floating Rate**

The Issuer may issue Notes:

- (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note; or
- (ii) that will automatically convert from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note, on the date set out in the Final Terms.

## **12. BUSINESS DAY CONVENTION**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention has (x) no numerically corresponding day in the calendar month in which such date should occur or (y) would otherwise fall on a day that is not a Business Day, then:

- (i) if "Following Business Day Convention" is specified in the Final Terms, the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) if "Modified Following Business Day Convention" or "Modified Business Day Convention" is specified in the Final Terms, the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) if "Preceding Business Day Convention" is specified in the Final Terms, the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) if "FRN Convention", "Floating Rate Convention" or "Eurodollar Convention" is specified in the Final Terms, the relevant date shall be the date which numerically corresponds to the

preceding such date in the calendar month which is the number of months specified in the Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

- (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day;
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) if "No Adjustment" is specified in the Final Terms, the relevant date shall not be adjusted in accordance with any Business Day Convention.

### **13. PAYMENTS**

#### **13.1 Method of payment**

- (a) Subject as provided below:
  - (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and which, in the case of a payment on a Note in bearer form for U.S. federal income tax purposes, shall be an account outside the United States, except as may be permitted by United States federal income tax law) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (in no event, however, shall payment in respect of a Note in bearer form for U.S. federal income tax purposes be made by cheque mailed to an address in the United States); and
  - (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.
- (b) Payments will be subject in all cases to:
  - (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 15; and

- (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 15) any law implementing an intergovernmental approach thereto.

### **13.2 Presentation of Bearer Notes and Coupons**

- (a) Payments of principal in respect of Bearer Notes will (subject as provided below) be made in the manner provided in Condition 13.1 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Bearer Notes, and payments of interest in respect of Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).
- (b) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 16) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.
- (c) Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.
- (d) Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.
- (e) If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.
- (f) Payments of principal and interest (if any) in respect of Notes represented by any Temporary or Permanent Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Temporary or Permanent Global Note in bearer form, where

applicable, against presentation or surrender, as the case may be, of such Temporary or Permanent Global Note in bearer form at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Temporary or Permanent Global Note in bearer form by the Paying Agent to which it was presented or in the records of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"), as applicable.

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

### **13.3 U.S. Paying Agent**

- (a) Notwithstanding the foregoing provisions of this Condition 13, if any amount of principal and/or interest in respect of Notes is payable in US dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:
  - (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
  - (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and
- (b) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

### **13.4 Registered Notes**

- (a) Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account of the Holder (or the first named of joint Holders) of the Registered Note appearing in the register:

- (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and
  - (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.
- (b) Notwithstanding Condition 13.4(a), if:
  - (i) a Holder does not have a Designated Account; or
  - (ii) the nominal amount of the Registered Notes held by a Holder is less than US\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank.
- (c) Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the Holder (or the first named of joint Holders) of the Registered Note appearing in the register:
  - (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and
  - (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at his address shown in the register on the Record Date and at his risk.
- (d) Upon application of the Holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the Holder who has made the initial application until the Registrar is notified in writing to the contrary by such Holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.
- (e) Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition 13 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such Holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

### **13.5 Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

### **13.6 Interpretation of principal and interest**

- (a) Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:
  - (i) the Final Redemption Amount of the Notes;
  - (ii) the Optional Redemption Amount(s) (if any) of the Notes;
  - (iii) the Make Whole Redemption Price; and
  - (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.
- (b) Any reference in these Conditions to interest or Arrears of Interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest or Arrears of Interest under Condition 15 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## **14. REDEMPTION, VARIATION, SUBSTITUTION, CONVERSION AND PURCHASE**

This Condition 14 is subject in all respects to Condition 4.

### **14.1 Redemption**

- (a) Unless previously redeemed, substituted, converted or purchased and cancelled as specified below, each Dated Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Final Terms in the Specified Currency on the Maturity Date.
- (b) Undated Notes are perpetual securities in respect of which there is no maturity date.
- (c) Notes are not redeemable at the option of the Holders at any time.

### **14.2 Issuer's Call Option**

The Issuer may redeem the Notes in whole (but not in part) at its option, if specified in the Final Terms, on any Optional Redemption Date.

### **14.3 Tax Event Redemption**

- (a) This Condition 14.3 shall apply to the Notes only if Tax Event Redemption is specified as being applicable in the Final Terms.

- (b) Subject as provided in these Conditions, the Issuer may redeem the Notes in whole (but not in part) at any time upon the occurrence of a Tax Event.
- (c) If and to the extent required by the Capital Regulations applicable in relation to Tier 2 Capital, and except as otherwise indicated to the Issuer by the PRA, the Issuer may not redeem the Notes upon the occurrence of a Tax Event prior to the fifth anniversary of the Issue Date of the Notes unless such redemption is funded out of the proceeds of a new issuance of capital of the same or higher quality than the relevant Notes.

#### **14.4 Tax Event Redemption and Refinancing Option**

- (a) This Condition 14.4 shall apply to the Notes only if Tax Event Redemption and Refinancing Option is specified as being applicable in the Final Terms.
- (b) Subject as provided in these Conditions, the Issuer may, at any time upon the occurrence of a Tax Event in its sole discretion:
  - (i) redeem the Notes in whole (but not in part); or
  - (ii) to address such Tax Event, substitute the Notes in whole (but not in part) for, or vary these Conditions and/or the terms of the Trust Deed such that they are treated as, an issue of Qualifying Tier 2 Capital.
- (c) If and to the extent required by the Capital Regulations applicable in relation to Tier 2 Capital, and except as otherwise indicated to the Issuer by the PRA, the Issuer may not redeem the Notes upon the occurrence of a Tax Event prior to the fifth anniversary of the Issue Date of the Notes unless such redemption is funded out of the proceeds of a new issuance of capital of the same or higher quality than the relevant Notes.
- (d) The Trustee shall use its reasonable endeavours to assist the Issuer in substitution or variation of the Notes in accordance with this Condition 14.4, provided that the Trustee shall not be obliged to participate or assist in any such substitution or variation if the terms of the notes into which the Notes are to be substituted or are to be varied impose, in the Trustee's opinion, more onerous obligations upon it.

#### **14.5 Regulatory Event Redemption**

- (a) This Condition 14.5 shall apply to the Notes only if Regulatory Event Redemption is specified as being applicable in the Final Terms.
- (b) Subject as provided in these Conditions, the Issuer may redeem the Notes in whole (but not in part) at any time upon the occurrence of a Regulatory Event.
- (c) If and to the extent required by the Capital Regulations applicable in relation to Tier 2 Capital, and except as otherwise indicated to the Issuer by the PRA, the Issuer may not redeem the Notes upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date of the Notes unless such redemption is funded out of the proceeds of a new issuance of capital of the same or higher quality as the relevant Notes.

#### **14.6 Regulatory Event Redemption and Regulatory Event Refinancing Option**

- (a) This Condition 14.6 shall apply to the Notes only if Regulatory Event Redemption and Regulatory Event Refinancing Option is specified as being applicable in the Final Terms.
- (b) Subject as provided in these Conditions, the Issuer may, at any time upon the occurrence of a Regulatory Event, in its sole discretion:
  - (i) redeem the Notes in whole (but not in part); or
  - (ii) substitute the Notes in whole (but not in part) for, or vary these Conditions and/or the terms of the Trust Deed such that they are treated as, an issue of Qualifying Tier 2 Capital.
- (c) If and to the extent required by the Capital Regulations applicable in relation to Tier 2 Capital, and except as otherwise indicated to the Issuer by the PRA, the Issuer may not redeem the Notes upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date of the Notes unless such redemption is funded out of the proceeds of a new issuance of capital of the same or higher quality as the relevant Notes.
- (d) The Trustee shall use its reasonable endeavours to assist the Issuer in substitution or variation of the Notes in accordance with this Condition 14.6, provided that the Trustee shall not be obliged to participate or assist in any such substitution or variation if the terms of the notes into which the Notes are to be substituted or are to be varied impose, in the Trustee's opinion, more onerous obligations upon it.

#### **14.7 Rating Event Redemption**

- (a) This Condition 14.7 shall apply to the Notes only if Rating Event Redemption is specified as being applicable in the Final Terms.
- (b) Subject as provided in these Conditions, the Issuer may redeem the Notes in whole (but not in part) at any time upon the occurrence of a Rating Event.
- (c) If and to the extent required by the Capital Regulations applicable in relation to Tier 2 Capital, and except as otherwise indicated to the Issuer by the PRA, the Issuer may not redeem the Notes upon the occurrence of a Rating Event prior to the fifth anniversary of the Issue Date of the Notes unless such redemption is funded out of the proceeds of a new issuance of capital of the same or higher quality than the relevant Notes.

#### **14.8 Redemption Procedures**

- (a) Any redemption, substitution or variation under this Condition 14 may be made on not less than 30 nor more than 60 days' notice to the Trustee and the Issue and Paying Agent in writing and to the Holders in accordance with Condition 21.
- (b) If the Notes are redeemed at the Issuer's option pursuant to Condition 14.2, such Notes shall be redeemed on any Optional Redemption Date at their Optional Redemption Amount together with accrued interest (including any interest not paid on a Compulsory Interest

Payment Date (if applicable)) to the Redemption Date and the aggregate amount of any Arrears of Interest, each as provided in these Conditions.

- (c) If the Notes are to be redeemed pursuant to Condition 14.3 or 14.4 on the occurrence of a Par Tax Event, the Notes may be redeemed at any time (if and so long as such Note is not a Floating Rate Note) or on any Interest Payment Date (if and so long as such Note is a Floating Rate Note) at the outstanding principal amount of the Notes, together with accrued interest (including any interest not paid on a Compulsory Interest Payment Date) to the Redemption Date and the aggregate amount of any Arrears of Interest, each as provided in these Conditions.
- (d) If the Notes are to be redeemed pursuant to Condition 14.3 or 14.4 on the occurrence of an Other Tax Event, the Notes may be redeemed at any time (if and so long as such Note is not a Floating Rate Note) or on any Interest Payment Date (if and so long as such Note is a Floating Rate Note) at:
  - (i) in the case of an Other Tax Event occurring on or after the first Optional Redemption Date (if any), the outstanding principal amount of the Notes; and
  - (ii) in the case of an Other Tax Event occurring prior to the first Optional Redemption Date (if any), the outstanding principal amount of the Notes or their Make Whole Redemption Price as specified in the Final Terms, together, in each case, with accrued interest (including any interest not paid on a Compulsory Interest Payment Date) to the Redemption Date and the aggregate amount of any Arrears of Interest, each as provided in these Conditions.
- (e) If the Notes are to be redeemed pursuant to Condition 14.5, 14.6 or 14.7 on the occurrence of a Regulatory Event or a Rating Event, the Notes may be redeemed at any time (if and so long as such Note is not a Floating Rate Note) or on any Interest Payment Date (if and so long as such Note is a Floating Rate Note) at:
  - (i) in the case of a Regulatory Event or Rating Event occurring on or after the first Optional Redemption Date (if any), the outstanding principal amount of the Notes; and
  - (ii) in the case of a Regulatory Event or Rating Event occurring prior to the first Optional Redemption Date (if any), the outstanding principal amount of the Notes or their Make Whole Redemption Price as specified in the Final Terms, together, in each case, with accrued interest (including any interest not paid on a Compulsory Interest Payment Date) to the Redemption Date and the aggregate amount of any Arrears of Interest, each as provided in these Conditions.
- (f) Prior to the giving of any notice of redemption, substitution or variation following the occurrence of a Tax Event, Regulatory Event or Rating Event, the Issuer shall deliver to the Trustee:
  - (i) a certificate, signed by two Directors of the Issuer, stating that the Issuer is entitled to effect such redemption or substitution or variation and setting forth a statement of facts showing that the conditions precedent to the right to redeem or, as the case

may be, substitute or vary have occurred and, in the case of the event described in paragraph (a) of the definition of Tax Event, that the payment of such additional amounts cannot be avoided by using reasonable measures available to it; and

- (ii) in the case of a Tax Event, an opinion of independent legal advisers of recognised standing to the effect that the Issuer is entitled to exercise its right of redemption or substitution or variation.

The Trustee shall be entitled to accept such certificate and, where applicable, such opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Holders.

- (g) Any notice of redemption will be irrevocable, subject to the Redemption Date postponement requirements set out below. Failure to pay or set aside for payment the principal amount of the Notes to be redeemed, any accrued but unpaid interest, any Arrears of Interest, each as provided in these Conditions within 14 days of the Redemption Date, as postponed, if applicable, will constitute a Default.
- (h) If Spens Amount is specified in the Final Terms, the Make Whole Redemption Price shall be an amount equal to the higher of:
  - (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and
  - (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Determination Agent.
- (i) If Make Whole Redemption Amount is specified in the Final Terms, the Make Whole Redemption Price shall be an amount calculated by the Determination Agent equal to the higher of:
  - (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and
  - (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin.
- (j) In this Condition 14.8:

“Determination Agent” means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

“FA Selected Bond” means:

- (a) in the case of Dated Notes, a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term to:
  - (i) if no Optional Redemption Date is specified in the Final Terms, the Maturity Date; or
  - (ii) if an Optional Redemption Date is specified in the Final Terms, the first Optional Redemption Date of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term to:
    - (A) if no Optional Redemption Date is specified in the Final Terms, the Maturity Date; or
    - (B) if an Optional Redemption Date is specified in the Final Terms, the first Optional Redemption Date of the Notes; and
- (b) in the case of Undated Notes, a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term to the first Optional Redemption Date of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term to the first Optional Redemption Date of the Notes;

“Gross Redemption Yield” means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts”; “Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve in consultation with any relevant expert (such expert to be selected by the Trustee and approved by the Issuer), whose fees shall be payable together with the Trustee’s fees by the Issuer;

“Redemption Margin” shall be such amount as is specified in the Final Terms, which shall be a single amount that applies from the Issue Date until redemption of the Notes;

“Reference Bond” shall be as set out in the Final Terms or the FA Selected Bond;

“Reference Bond Price” means, with respect to any date of redemption:

- (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Bond Rate” means, with respect to any Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Redemption Date;

“Reference Date” means the date specified as such in the relevant notice of redemption;

“Reference Government Bond Dealer” means each of five banks selected by the Issuer, or their affiliates, which are:

- (a) primary government securities dealers, and their respective successors, or
- (b) market makers in pricing corporate bond issues;

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any Redemption Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the Final Terms on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

“Remaining Term Interest” means:

- (a) with respect to any Dated Note, the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on such Note for the remaining term to (i) the Maturity Date or (ii) if an Optional Redemption Date is specified in the Final Terms, the first Optional Redemption Date of such Note determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date; and
- (b) with respect to any Undated Note, the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on such Note for the remaining term until the first Optional Redemption Date of such Note determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date.

## **14.9 Purchases**

Subject to Condition 4, the Issuer and any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, any unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

#### **14.10 Cancellation**

All Notes which are redeemed, exchanged or purchased will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Issue and Paying Agent and cannot be re-issued or resold.

#### **15. TAXATION**

All payments of principal and interest by or on behalf of the Issuer (including payments of Arrears of Interest) in respect of the Notes and Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom, or any political subdivision of, or any authority of, or in, the United Kingdom having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will, in respect of payments of interest only and not in respect of payments of principal, pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of any requirement to make such withholding or deduction; except that no such additional amounts shall be payable in relation to any Note or Coupon:

- (a) presented for payment by, or on behalf of, a Holder who is liable for such taxes, duties or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (b) presented for payment by, or on behalf of, a Holder who would be able to avoid such withholding or deduction by complying with any statutory requirements (including, but not limited to, obtaining and/or presenting any form of certificate) or by making a declaration or any other statement or claim for exemption (including, but not limited to, a declaration of nonresidence), but fails to do so; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day.

#### **16. PRESCRIPTION**

- (a) Claims in respect of principal and interest or other sums payable hereunder will be prescribed unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date in relation thereto, subject to the provisions of Condition 13.2.
- (b) There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 16 or Condition 13.2 or any Talon which would be void pursuant to Condition 13.2.

#### **17. EVENTS OF DEFAULT AND ENFORCEMENT**

- (a) If a Default occurs and is continuing, the Trustee may, notwithstanding the provisions of Condition 17(c), institute proceedings for the winding-up in England and Wales (but not

elsewhere) of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

- (b) If an order is made by any competent court or resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Holders of the Notes, the Trustee may, subject as provided below, give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at an amount equal to their principal amount outstanding together with any Arrears of Interest and any accrued interest as provided in the Trust Deed.
- (c) Without prejudice to Condition 17(a), the Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons (other than any payment obligation of the Issuer relating to or arising from the Notes, the Coupons or the Trust Deed relating to them or arising therefrom) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. Nothing in this Condition 17(c) shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer, proving in any winding-up of the Issuer and/or claiming in any liquidation of the Issuer in respect of any payment obligations of the Issuer arising from or under the Notes, the Coupons or the Trust Deed (including any damages awarded for breach of any obligations).
- (d) The Trustee shall not be bound to take any of the actions referred to in this Condition 17 against the Issuer to enforce the terms of the Trust Deed, the relevant Notes or the relevant Coupons or to take any other action under the Trust Deed unless:
  - (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders or in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding; and
  - (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction in accordance with Clause 10 of the Trust Deed.
- (e) No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up in England and Wales of the Issuer or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails to do so within a reasonable period and such failure is continuing, in which case a Holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 17.

## **18. REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and

indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **19. PAYING AGENTS AND CALCULATION AGENT**

- (a) The names of the initial Paying Agents and their specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the Final Terms.
- (b) The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:
  - (i) there will at all times be an Issue and Paying Agent and, in respect of Registered Notes, a Registrar; and
  - (ii) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.
- (c) In addition, the Issuer shall appoint a Paying Agent approved in writing by the Trustee having a specified office in New York City in the circumstances described in Condition 13.3.
- (d) Notice of any variation, termination, appointment or change in Paying Agents will be given to Holders promptly by the Issuer in accordance with Condition 21.
- (e) In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain limited circumstances, the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Holders. The Agency Agreement contains provisions permitting any entity into which the Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent, registrar or exchange agent, as the case may be.

## **20. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issue and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 16.

## **21. NOTICES**

- (a) All notices regarding Bearer Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a

manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of publication in the last of such newspapers.

- (b) Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.
- (c) Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issue and Paying Agent.

## **22. MEETINGS OF HOLDERS, MODIFICATION, WAIVER, DETERMINATION AND SUBSTITUTION ETC.**

### **22.1 Conditions to Modification, Amendment, Waiver and Substitution**

No modifications or amendments may be made to, nor any waiver granted in respect of, these Conditions or any of the provisions of the Trust Deed pursuant to Condition 22.2 or 22.3, nor may the Issuer be substituted as principal debtor under the Trust Deed, the Notes and the Coupons pursuant to Condition 22.4, unless the Issuer has given prior notice to the PRA, and the PRA has given its prior approval or consented to such modification, amendment, waiver or substitution, in each case in accordance with, and to the extent required under, the Capital Regulations applicable in relation to Tier 2 Capital at the time of such modification, amendment, waiver or substitution.

### **22.2 Meetings**

- (a) The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes and the Coupons relating to them or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request of Holders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at

any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

- (b) The Trust Deed contains provisions for an Extraordinary Resolution to take the form of an instrument or instruments signed by the Holder or the Holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding.

### **22.3 Modifications**

- (a) The Trustee may agree, without the consent of the Holders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or determine that any Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee is proven.
- (b) Any modification, waiver, authorisation or determination shall be binding on the Holders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 21.
- (c) The Trustee shall be obliged to concur with the Issuer in effecting any amendments to the interest calculation provisions and provisions related thereto of the Notes in the circumstances and as otherwise set out in Conditions 9 and 10 without the requirement for the consent or sanction of the Holders or Couponholders.

### **22.4 Substitution**

- (a) Subject as provided in the Trust Deed the Trustee, if it is satisfied that to do so would not be materially prejudicial to the interests of the Holders, may agree with the Issuer, without the consent of the Holders, to the substitution in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons of:
  - (i) any Subsidiary of the Issuer;
  - (ii) any successor in business of the Issuer;
  - (iii) any Holding Company of the Issuer; or
  - (iv) any other Subsidiary of such Holding Company,

provided that except where the new principal debtor is the successor in business or Holding Company of the Issuer the obligations of such new principal debtor under the Trust Deed, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by the Issuer or its Holding Company and provided further that the obligations of the Issuer or, as the case may be, its Holding Company under such guarantee shall be subordinated on a basis considered by the Trustee to be equivalent to that described in Condition 4.

- (b) Any substitution in accordance with the provisions of this Condition 22.4 shall be binding on the Holders and, unless the Trustee agrees otherwise, any such substitution shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 21.

## **22.5 Exercise of Trustee's powers and discretions**

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities or discretions for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders, except to the extent already provided for in Condition 15 and/or any undertaking given in addition to, or in substitution for, Condition 15 pursuant to the Trust Deed.

## **23. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Holders and the holders of the notes of other series in circumstances where the Trustee so decides.

## **24. DEFINITIONS**

In these Conditions:

“Adjustment Spread” means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, in each case to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is customarily applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

- (c) if the relevant Independent Adviser or the Issuer (as applicable) determines there is no such spread, formula or methodology customarily applied, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable);

“Alternative Mid Swap Rate” has the meaning given to such term in Condition 9.4;

“Alternative Reference Rate” means the rate which is customarily applied in international debt capital markets transactions for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if the relevant Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate;

“Arrears of Interest” means any interest payment which the Issuer has elected to defer on an Interest Payment Date in accordance with Condition 6 or Condition 7, together with any interest accrued thereon in the limited circumstances referred to in Condition 14.8 and any interest payments that the Issuer does not make because the Issuer does not satisfy the Solvency Condition, or either the Solvency Capital Requirement or the Minimum Capital Requirement is (or both are) not met, and which has not been satisfied, or because an Insolvent Insurer Winding-up has occurred and is continuing on the relevant Interest Payment Date;

“Assets” means the total amount of the Issuer’s non-consolidated gross assets as shown by the then latest published balance sheet, but adjusted for contingencies and for subsequent events, and to such extent as such person or persons giving the Solvency Condition report may determine;

“Auditors” means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these Conditions or the Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Issuer;

“Benchmark Event” means:

- (a) the Original Reference Rate ceasing to be published for at least five consecutive Business Days or ceasing to exist or be administered; or
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such rate) and (ii) the date falling six months prior to the specified date referred to in (b)(i); or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that such rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that such rate will, on or before a specified date, be permanently or

indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i); or

- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means such rate will be prohibited from being used, either generally or in respect of the Notes, or that means such use will be subject to restrictions or adverse consequences, in each case on or before a specified date, and (ii) the date falling six months prior to the specified date referred to in (e)(i); or
- (f) an official announcement by the regulatory supervisor of the administrator of the Original Reference Rate that such rate is no longer representative; or
- (g) it has become, or will become prior to the next Interest Determination Date, unlawful for any Paying Agent, the Issuer or any other party specified in the Final Terms as being responsible for such calculations to calculate any payments due to be made to any Holder or Couponholder using the Original Reference Rate.

“Business Day” means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the Final Terms (if any);
- (b) either:
  - (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); or
  - (ii) in relation to any sum payable in euro, a TARGET Business Day; and
- (c) where the relevant Final Terms specify that the Reference Rate is “Compounded Daily SOFR” or “Weighted Average SOFR”, a U.S. Government Securities Business Day and a New York City Banking Day.

“Calculation Amount” means the amount specified as such in the Final Terms;

“Capital Adequacy Condition” means:

- (a) in relation to The Prudential Assurance Company Limited, the Issuer’s wholly-owned subsidiary (“Prudential Assurance”), the ratio of its Regulatory Assets to its Regulatory Capital Requirement is at least 125%; or

- (b) if there is a Regulatory Capital Requirement applicable to the Issuer either directly or in relation to it and its Subsidiaries as a group, the Issuer exceeds such Regulatory Capital Requirement by a factor of at least 25% of such Regulatory Capital Requirement; or
- (c) if there is no Regulatory Capital Requirement applicable to the Issuer, its total Assets exceed its total Liabilities, other than liabilities to persons that are not Senior Creditors by at least 125% of such percentage specified by the PRA as the Regulatory Capital Requirement applicable to Prudential Assurance; or
- (d) in relation to the Issuer's EEA Insurance Subsidiaries, each EEA Insurance Subsidiary complies with the Capital Regulations applicable to it;

"Capital Regulations" means the legislation, rules and regulations (whether having the force of law or otherwise) that require the Issuer or any of the Issuer's EEA Insurance Subsidiaries to meet a Regulatory Capital Requirement including, without limitation, pursuant to Directive 98/78/EC and Directive 2002/87/EC of the European Union (the "Directives"), the Solvency II Regulations or any legislation, rules or regulations (whether having the force of law or otherwise) in any state within the European Economic Area (which includes the European Union together with Norway, Liechtenstein and Iceland) implementing the Directives or Solvency II Regulations, and any amendment, supplement or replacement thereof from time to time;

"Capitalised EONIA" means the resultant figure of the following formula:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{EONIA_1 \times n_1}{360} \right) - 1 \right] \times \frac{360}{d};$$

where:

"d<sub>0</sub>" means, for the relevant Interest Period, the number of TARGET Business Days in such Interest Period;

"EONIA<sub>1</sub>" has the meaning given to such term in this Condition 24;

"i" means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Days in chronological order from, and including, the first TARGET Business Day in the relevant Interest Period;

"n<sub>1</sub>" means the number of calendar days in the relevant Interest Period;

"d" means the number of calendar days in the relevant Interest Period;

"CMS Rate" shall mean the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent;

"Compounded Daily SOFR" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the

Rate of Interest, as specified in the Final Terms) 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” means, in relation to any Interest Period, the number of calendar days in such Interest Period;

“d<sub>0</sub>” means, in relation to any Interest Period, the number of U.S. Government Securities Days in such Interest Period;

"Federal Reserve's Website" means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

“i” means, in relation to any Interest Period, a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in such Interest Period;

“n<sub>i</sub>” means, in relation to any U.S. Government Securities Business Day “i”, the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day;

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website;

“OBFR” or “Overnight Bank Funding Rate” means, in relation to any New York City Banking Day (the “OBFR Determination Date”), the daily overnight bank funding rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator) at or around 5:00 pm (New York City time) on the New York Federal Reserve's Website on the next succeeding New York City Banking Day for trades made on such OBFR Determination Date;

“OBFR Index Cessation Effective Date” means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

“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 daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily 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 daily Overnight Bank Funding Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SIFMA” means the Securities Industry and Financial Markets Association (or any successor thereto);

“SOFR” means:

- (i) in relation to any U.S. Government Securities Business Day (the "SOFR Determination Date"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (ii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (iii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, “SOFR” in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily 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 daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); provided, however, that, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:

- (1) subject to (2) below, "SOFR" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (i) or (ii) above (as applicable) but as if:
  - (aa) references in this definition of "Compounded Daily SOFR" to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly);
  - (bb) references to "daily Secured Overnight Financing Rate" were to the "daily Overnight Bank Funding Rate";
  - (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
  - (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (2) if the rate specified in (1) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "SOFR" shall be equal to the rate determined in accordance with (i) above but as if:
  - (aa) references in this definition of "Compounded Daily SOFR" to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "d<sub>0</sub>" shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly); and
  - (bb) the reference in paragraph (i) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market

Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

“SOFR Index Cessation Effective Date” means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate) ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

“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 daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily 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 daily Secured Overnight Financing Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SOFR Reset Date” means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the “Cut-Off Period”);

“SOFR<sub>i</sub>” means, in relation to any Interest Period and any U.S. Government Securities Business Day “i”:

- (i) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and

- (ii) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period; and

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

“Compounded Daily SONIA” means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on 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:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” means the number of calendar days in the relevant Interest Period;

“d<sub>0</sub>” means the number of London Business Days in the relevant Interest Period;

“i” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant London Business Days in chronological order from, and including, the first London Business Day in the relevant Interest Period;

“London Business Day” or “LBD” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

“n<sub>i</sub>” means, in relation to any London Business Day “i”, the number of calendar days from and including such London Business Day up to, but excluding, the following London Business Day;

“Observation Period” means the period from, and including, the date falling “p” London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling “p” London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” means, for any Interest Period, the number of London Business Days included in the Observation Look-back Period, as specified in the Final Terms;

the “SONIA reference rate”, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (“SONIA”) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published

on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Business Day immediately following such London Business Day); and

“SONIA<sub>i-pLBD</sub>” means, in respect of any London Business Day falling in the relevant Interest Period, the SONIA reference rate for the London Business Day “i” falling “p” London Business Days prior to the relevant London Business Day “i”;

“Compulsory Interest Payment Date” means any Interest Payment Date on which:

- (a) the Issuer satisfies the Solvency Condition and both the Solvency Capital Requirement and the Minimum Capital Requirement are met, in each case both at the time of, and immediately after, the relevant interest payment; and
- (b) the Issuer has, in the six calendar months immediately preceding such Interest Payment Date, declared or paid any dividend on any class of its share capital;

“Dated Notes” means any Notes so specified in the Final Terms;

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

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

- (b) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (c) if “Actual/365 (Fixed)” is specified in the Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if “Actual/365 (Sterling)” is specified in the Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if “Actual/360” is specified in the Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if “30/360”, “360/360” or “Bond Basis” is specified in the Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

a “Default” in respect of the Notes shall occur if:

- (a) the Issuer fails to pay the amount due to satisfy any interest payment which has not been deferred, and such failure continues for 14 days; or
- (b) the Issuer fails to pay the principal amount of the Notes, any accrued but unpaid interest and any Arrears of Interest on a Redemption Date, as may be postponed from time to time pursuant to these Conditions, and such failure continues for 14 days;

“Designated Account” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a Holder with a Designated Bank and identified as such in the register and “Designated Bank” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro;

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate;

“Determination Agent” means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

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

“EEA Insurance Subsidiary” means any Subsidiary of the Issuer engaged in the insurance business and regulated as such by a member of the European Economic Area;

“EONIA<sub>1</sub>” means, for any day “i” in the relevant Interest Period, a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Relevant Screen Page on the first TARGET Business Day following that day;

“EURIBOR” means the Euro-zone interbank offered rate;

“Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

“Gross Redemption Yield” means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts”; “Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve in consultation with any relevant expert (such expert to be selected by the Trustee and approved by the Issuer), whose fees shall be payable together with the Trustee’s fees by the Issuer;

“Group” means the Issuer and its Subsidiaries;

“Group Insurance Undertaking” means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Group pursuant to the Solvency II Regulations;

“HIBOR” means the Hong Kong interbank offered rate;

“Holding Company” means a parent undertaking within the meaning set out in section 1162 of the Companies Act 2006;

“IA Determination Cut-off Date” has the meaning given to such term in Condition 10.11;

“IA Mid Swap Determination Cut-off Date” has the meaning given to such term in Condition 9.4;

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets;

“Initial Rate of Interest” has the meaning specified in the Final Terms;

“Insolvent Insurer Winding-up” means:

- (a) the winding-up of any Group Insurance Undertaking; or
- (b) the appointment of an administrator of any Group Insurance Undertaking,

in each case where the Issuer has determined, acting reasonably, that all Policyholder Claims of the policyholders of that Group Insurance Undertaking may or will not be met;

“insurance undertaking” has the meaning given to such term in the Solvency II Regulations;

“Interest Amount” means:

- (a) in respect of a Fixed Rate Note, the amount payable on an Interest Payment Date in respect of such Fixed Rate Note, calculated in accordance with Condition 8.4;
- (b) in respect of a Reset Note, the amount payable on an Interest Payment Date in respect of such Reset Note, calculated in accordance with Condition 9.2(b);
- (c) in respect of a Floating Rate Note, the amount payable on an Interest Payment Date in respect of such Floating Rate Note, calculated in accordance with Condition 10.14; and
- (d) in respect of a Fixed/Floating Rate Note, the amount payable on an Interest Payment Date in respect of such Fixed/Floating Rate Note, calculated in accordance with Condition 8.4 (to the extent that the Fixed Rate Note Provisions apply in respect of the relevant Interest Period) or Condition 10.14 (to the extent that the Floating Rate Note Provisions apply in respect of the relevant Interest Period);

“Interest Basis” means the basis for calculation of interest payable in respect of a Note, as specified in the Final Terms;

“Interest Determination Date” means, in respect of an Interest Reset Date, the first New York City Banking Day prior to such Interest Reset Date;

“Interest Payment Date” means the first Interest Payment Date and any date or dates specified as such in the Final Terms (each such date a “Specified Interest Payment Date”) and, if a Business Day Convention is specified in the Final Terms:

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

“Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date);

“Interest Rate Cut Off Date” means, in respect of an Interest Period, the fourth New York City Banking Day prior to the Interest Payment Date on which such Interest Period ends;

“Interest Reset Date” means, in respect of an Interest Period, each New York City Banking Day in such Interest Period up to and including the Interest Rate Cut Off Date;

“ISDA Definitions” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes;

“Issuer Determination Cut-off Date” has the meaning given to such term in Condition 10.11;

“Issuer Mid Swap Determination Cut-off Date” has the meaning given to such term in Condition 9.4;

“Level 2 Regulations” means Commission Delegated Regulation (EU) No. 2015/35 of 10 October, 2014 supplementing Directive 2009/138/EC of the European Union of 25 November, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

“Liabilities” means the total amount of the Issuer’s non-consolidated gross liabilities as shown by the then latest published balance sheet, but adjusted for contingencies and subsequent events and to such extent as the person or persons giving the Solvency Condition report may determine;

“LIBOR” means the London interbank offered rate;

“London Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

“Long Maturity Note” means a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note;

“Make Whole Redemption Price” means, as specified in the Final Terms, (i) the Spens Amount, calculated in accordance with Condition 14.8(h), (ii) the Make Whole Redemption Amount, calculated in accordance with Condition 14.8(i), or (iii) the amount per Calculation Amount specified in the Final Terms, which shall be a single amount that applies from the Issue Date until redemption of the Notes;

“Margin” means the margin (if any) specified in the Final Terms;

“Mid Swap Benchmark Rate” means, subject as provided in Condition 9.4:

- (a) EURIBOR if the Specified Currency is euro;
- (b) HIBOR if the Specified Currency is Hong Kong dollars;
- (c) TIBOR if the Specified Currency is Japanese yen;
- (d) SIBOR if the Specified Currency is Singapore dollars; and
- (e) LIBOR for the Specified Currency if the Specified Currency is not one of the currencies listed in (a) to (d) of this definition;

“Mid Swap Maturity” has the meaning specified in the Final Terms;

“Mid Swap Rate” means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed for floating interest rate swap transaction in the Specified Currency which transaction:

- (a) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date;
- (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (c) has a floating leg based on the Mid Swap Benchmark Rate for the Mid Swap Maturity as specified in the Final Terms (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“Minimum Capital Requirement” means the Minimum Capital Requirement of the Issuer, the Minimum Capital Requirement of the Group or the group Minimum Solvency Capital Requirement (as applicable) howsoever described in the Solvency II Regulations;

“New York City Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

“Optional Redemption Amount” means the amount so specified in the Final Terms, which shall be a single amount that applies from the Issue Date until redemption of the Notes;

“Optional Redemption Date” means the date so specified in the Final Terms, falling on or after the fifth anniversary of the Issue Date of the Notes;

“Ordinary Shares” means the ordinary shares of the Issuer, having at the date hereof, a par value of five pence each;

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any relevant component part(s) thereof) on the Notes (or, if applicable, any other successor or alternative rate (or component part thereof)) determined and applicable to the Notes pursuant to the earlier operation of Condition 10.11;

“Other Tax Event” means an event of the type described in the definition of Tax Event occurring other than as a result of a Tax Law Change;

“Parity Securities” means capital instruments of the Issuer (including the Notes) preferred or preference shares or other securities issued by the Issuer together with any securities issued by a Subsidiary where such securities benefit from a guarantee or support agreement from the Issuer, the claims of the holders of which rank *pari passu* with the Notes as to participation in the Issuer’s assets in the event of its winding-up;

“Par Tax Event” means an event of the type described in the definition of Tax Event occurring as a result of a Tax Law Change;

“Payment Day” means any day which is (subject to Condition 16):

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

“Policyholder Claims” means claims of policyholders or beneficiaries in a winding-up, liquidation or administration of a Group Insurance Undertaking to the extent that those claims relate to any debt to

which the Group Insurance Undertaking is, or may become, liable to a policyholder pursuant to a contract of insurance, including all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up or administration of insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders may have;

“PRA” means the Bank of England in its capacity as the Prudential Regulation Authority or any successor regulatory body or such other governmental authority in the UK having primary supervisory authority with respect to the Group;

“Qualifying Tier 2 Capital” means notes that have terms not materially less favourable to a holder than the terms of the Notes as reasonably determined by the Issuer in consultation with an independent investment bank of international standing and certified by two Directors of the Issuer to the Trustee, provided that they shall:

- (a) contain terms which comply with then current requirements in relation to Tier 2 Capital;
- (b) bear the same rate of interest from time to time applying to the Notes and preserve the Interest Payment Dates;
- (c) contain terms providing for compulsory deferral of payments of interest and/or principal only if such terms are not materially less favourable to a holder thereof than the compulsory deferral provisions applying to the Notes;
- (d) rank at least *pari passu* with the Notes;
- (e) 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, but provide that such Qualifying Tier 2 Capital may not be redeemed by the Issuer prior to the first Optional Redemption Date (if any) (save for redemption, substitution or variation on terms analogous with the terms of Condition 14.3, 14.4, 14.5, 14.6 and 14.7 and subject to the same conditions as those set out in Condition 4.10);
- (f) do not contain any term which provides for, requires or entitles the Issuer to effect any loss absorption through a write-down of the nominal amount of Qualifying Tier 2 Capital or conversion of such Qualifying Tier 2 Capital into Ordinary Shares;
- (g) preserve any existing rights under these Conditions to any Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to Holders and not been paid; and
- (h) are listed or admitted to trading on a Recognised Stock Exchange;

“Rating Agency” means any of:

- (a) Moody’s Investors Service Ltd;
- (b) S&P Global Ratings Europe Limited; or

(c) Fitch Ratings Limited,

or any successor of, or substitute for, such entity;

a "Rating Event" will be deemed to occur upon a change in methodology of a Rating Agency (or in the interpretation of such methodology) as a result of which the equity content, credit or treatment assigned by a Rating Agency to the Notes is, in the reasonable opinion of the Issuer, materially reduced when compared with the equity content, credit or treatment assigned by a Rating Agency to the Notes on (or about) the date on which agreement is reached to issue the first Tranche of the Notes;

"Recognised Stock Exchange" means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provisions, statute or statutory instrument replacing the same from time to time;

"Record Date" has the meaning given to such term in Condition 13.4(c)(ii);

"Redemption Date" means any date fixed for redemption in accordance with Condition 13;

"Reference Banks" means:

- (a) in respect of Reset Notes, the principal office in the Relevant Financial Centre of four major banks in the swap, money, securities or other market most closely connected with the Subsequent Reset Reference Rate as selected by the Issuer on the advice of an investment bank of international repute;
- (b) in respect of Floating Rate Notes (other than CMS Interest Linked Notes), in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market; in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and, in the case of a determination of a Reference Rate other than LIBOR or EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the interbank market of the Relevant Financial Centre, in each case selected by the Issuer; and
- (c) in respect of CMS Interest Linked Notes, (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the interbank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London interbank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City interbank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre of five leading swap dealers in the Relevant Financial Centre interbank market, in each case as selected by the Issuer;

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

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

“Reference Bond Price” means, with respect to any Reset Determination Date:

- (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or
- (b) if the Issue and Paying Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

“Reference Government Bond Dealer” means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are:

- (a) primary government securities dealers, and their respective successors; or
- (b) market makers in pricing corporate bond issues;

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

“Reference Rate” means, as specified in the Final Terms:

- (a) LIBOR;
- (b) EURIBOR;
- (c) SIBOR;
- (d) TIBOR;
- (e) HIBOR;
- (f) Bank of England Base Rate;
- (g) EONIA;
- (h) SONIA;
- (i) the Federal Funds Rate;
- (j) the CMS Reference Rate;
- (k) Compounded Daily SOFR; or

(l) Weighted Average SOFR,

in each case for the relevant currency and for the relevant period (if applicable), as specified for each in the Final Terms and in each case subject as provided in Condition 10.11;

“Regulatory Assets” means the assets eligible to satisfy the Regulatory Capital Requirement;

“Regulatory Capital Requirement” means any minimum or notional margin requirement in respect of solvency, or any minimum requirement in respect of regulatory capital or capital ratios for insurance companies, insurance holding companies or financial groups to which the Issuer, the Group or any insurance undertaking within the Group whether on a sole, group or consolidated basis is subject from time to time;

“Regulatory Event” is deemed to have occurred if the Notes are no longer capable of counting either:

- (a) as Tier 2 Capital for the purposes of the Issuer, the Group or any insurance undertaking within the Group whether on a solo, group or consolidated basis; or
- (b) as cover for capital requirements or treated as tier 2 “own funds” (howsoever described in the Capital Regulations and including any term or concept used to describe an equivalent measure or tier of capital resources contemplated by the Capital Regulations from time to time) applicable to the Issuer, the Group or any insurance undertaking within the Group whether on a solo, group or consolidated basis,

except where such non-qualification is as a result of any other applicable limitation on the amount of such capital;

“Relevant Banking Day” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located;

“Relevant Date” means the date on which a payment first becomes due and payable, except that, if the full amount of the moneys payable has not been duly received by the Issue and Paying Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 21;

“Relevant Financial Centre” means the financial centre specified as such in the Final Terms or if none is so specified: (i) in the case of a determination of LIBOR, London, (ii) in the case of a determination of EURIBOR, Brussels, (iii) in the case of a determination of SIBOR, Singapore, (iv) in the case of a determination of TIBOR, Tokyo, (v) in the case of a determination of HIBOR, Hong Kong or (vi) in the case of a determination of the Bank of England Base Rate, London;

“Relevant Nominating Body” means, in respect of any Original Reference Rate:

- (a) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or

- (b) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which such Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof;

“Relevant Screen Page” means the screen page specified in the Final Terms (or any successor);

“Relevant Swap Rate” means:

- (a) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (b) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (c) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (d) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Issuer in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice;

“Relevant Time” means the time specified as such in the Final Terms or if none is so specified:

- (a) in the case of a determination of LIBOR, 11.00 a.m.;

- (b) in the case of a determination of EURIBOR, 11.00 a.m.;
- (c) in the case of a determination of SIBOR, 11.00 a.m.;
- (d) in the case of a determination of TIBOR, 11.00 a.m.;
- (e) in the case of a determination of HIBOR, 11.00 a.m.; or
- (f) in the case of a determination of the Bank of England Base Rate, 11.00 a.m.,

in each case, in the Relevant Financial Centre;

“Remaining Term Interest” means:

- (a) with respect to any Dated Note, the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on such Note for the remaining term to:
  - (i) the Maturity Date; or
  - (ii) if an Optional Redemption Date is specified in the Final Terms, the first Optional Redemption Date of such Note determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date; and
- (b) with respect to any Undated Note, the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on such Note for the remaining term until the first Optional Redemption Date of such Note determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date;

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

“Reset Date(s)” means the date(s) specified in the Final Terms;

“Reset Determination Date” means, for each Reset Period, the date as specified in the Final Terms falling on or before the commencement of such Reset Period on which the rate of interest applicable to such Reset Period will be determined;

“Reset Margin” means the margin specified in the Final Terms;

“Reset Period” means the period from (and including) the first Reset Date to (but excluding) the Maturity Date (if any) if there is only one Reset Period or, if there is more than one Reset Period, each period from (and including) one Reset Date (or the first Reset Date) to (but excluding) the next Reset Date up to (but excluding) the Maturity Date (if any);

“Senior Creditors” means any creditors of the Issuer who are unsubordinated creditors of the Issuer (including all policyholders and beneficiaries (and including, for the avoidance of doubt, all Policyholder Claims));

“SIBOR” means the Singapore interbank offered rate;

“Solvency Capital Requirement” means the Solvency Capital Requirement of the Issuer or the Solvency Capital Requirement of the Group referred to in the Solvency II Regulations;

“Solvency Condition” has the meaning set forth in Condition 4.5;

“Solvency II Directive” means Directive 2009/138/EC of the European Union of 25 November, 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

“Solvency II Regulations” means:

- (a) the Solvency II Directive; and
- (b) any additional measures adopted to give effect to the Solvency II Directive, whether by way of regulation (including, for the avoidance of doubt, the Level 2 Regulations), directives, implementing technical standards supplementing the Solvency II Directive, the rules and regulations of the PRA or otherwise;

“Subsequent Reset Rate” means, for any Reset Period, the sum of:

- (a) the applicable Subsequent Reset Reference Rate; and
- (b) the applicable Reset Margin (rounded down to four decimal places, with 0.00005 being rounded down);

“Subsequent Reset Rate Screen Page” has the meaning specified in the Final Terms;

“Subsequent Reset Rate Time” has the meaning specified in the Final Terms;

“Subsequent Reset Reference Rate” means either:

- (a) if “Mid Swaps” is specified in the Final Terms, the Mid Swap Rate displayed on the Subsequent Reset Rate Screen Page at or around the Subsequent Reset Rate Time on the relevant Reset Determination Date for such Reset Period; or
- (b) if “Reference Bond” is specified in the Final Terms, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price;

“Subsidiary” means a subsidiary undertaking within the meaning set out in section 1162 of the Companies Act 2006;

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

“Successor Reference Rate” means the rate which has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the relevant Original Reference Rate by any Relevant Nominating Body;

“TARGET Business Day” means a day on which the TARGET2 System is open for settlement of payments in euro;

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto;

“Tax Event” means an event where the Issuer determines that: (a) in making any interest payments or Arrears of Interest payments on the Notes, it has paid, or will or would on the next Interest Payment Date be required to pay, additional amounts as provided in Condition 9 and the same cannot be avoided by using reasonable measures available to it; (b) payments, including payment of Arrears of Interest on the next Interest Payment Date in respect of any Notes would be treated as “distributions” within the meaning of section 1000 of the Corporation Tax Act 2010 (as amended, re-enacted or replaced); or (c) the Issuer would not be entitled to obtain a deduction in computing its UK tax liabilities in respect of any interest payment (including payment of any Arrears of Interest) on the Notes as a class, or the value of the deduction to the Issuer would be materially reduced;

“Tax Law Change” means a change in or amendment to the laws or regulations of the United Kingdom or any political sub-division or any authority thereof or therein having power to tax (including any treaty to which the United Kingdom is a party), or any change in the application of official or generally published interpretation of those laws or regulations (including a change or amendment resulting from a holding by a court or tribunal or competent jurisdiction) which change or amendment becomes effective or, in the case of a change in law, is enacted on or after the date on which agreement is reached to issue the first Tranche of the Notes;

“TIBOR” means the Tokyo interbank offered rate;

“Tier 1 Capital” has the meaning given to such term for the purposes of the Capital Regulations from time to time;

“Tier 2 Capital” has the meaning given to such term for the purposes of the Capital Regulations from time to time;

“Tier 2 Own Funds” has the meaning given to such term in the Solvency II Regulations;

“Transfer Date” shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.4;

“Undated Notes” means any Notes issued without a Maturity Date specified in the Final Terms.

“U.S. Federal Funds Rate” means, in respect of an Interest Determination Date, the rate for U.S. dollar federal funds on such Interest Determination Date as published in H.15(519) under the caption “Federal Funds (effective)” and displayed on Reuters (or any successor service) on page FEDFUNDS1 under the caption “EFFECT” (or any other page as may replace the specified page on that service) (“FEDFUNDS1 Page”), provided that:

- (a) if the U.S. Federal Funds Rate for an Interest Determination Date does not so appear on the FEDFUNDS1 Page or is not so published by 5.00 p.m. (New York City time) on the Interest Reset Date, in respect of such Interest Determination Date, the U.S. Federal Funds Rate for such Interest Determination Date shall be as published in H.15 Daily Update, or such other recognised electronic source used for the purpose of displaying the applicable rate, under the caption “Federal funds (effective)”; and
- (b) if the U.S. Federal Funds Rate is not so published by 5.00 p.m. (New York City time) on the Interest Reset Date, the U.S. Federal Funds Rate with respect to such Interest Determination Date shall be the U.S. Federal Funds Rate for the first preceding day for which the U.S. Federal Funds Rate is set forth in H.15(519) opposite the caption “Federal funds (effective)”, as the U.S. Federal Funds Rate is displayed on the FEDFUNDS1 Page; and

“Weighted Average SOFR” means, in relation to any Interest Period, the arithmetic mean of SOFR<sub>i</sub> in effect for each U.S. Government Securities Business Day during such Interest Period (each such U.S. Government Securities Business Day, “i”), calculated by multiplying the relevant SOFR<sub>i</sub> for any U.S. Government Securities Business Day “i” by the number of days such SOFR<sub>i</sub> is in effect (being the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period;

where:

"Federal Reserve's Website" means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website;

“OBFR” or “Overnight Bank Funding Rate” means, in relation to any New York City Banking Day (the “OBFR Determination Date”), the daily overnight bank funding rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator) at or around 5:00 pm (New York City time) on the New York Federal Reserve's Website on the next succeeding New York City Banking Day for trades made on such OBFR Determination Date;

“OBFR Index Cessation Effective Date” means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

“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 daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily 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 daily Overnight Bank Funding Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SIFMA” means the Securities Industry and Financial Markets Association (or any successor thereto);

“SOFR” means:

- (i) in relation to any U.S. Government Securities Business Day (the "SOFR Determination Date"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (ii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (iii) if the rate specified in (i) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred, “SOFR” in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily 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 daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); provided, however, that, if no such rate has

been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:

- (1) subject to (2) below, "SOFR" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (i) or (ii) above (as applicable) but as if:
  - (aa) references in this definition of "Weighted Average SOFR" to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x) SOFR<sub>i</sub> in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR<sub>i</sub> in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly);
  - (bb) references to "daily Secured Overnight Financing Rate" were to the "daily Overnight Bank Funding Rate";
  - (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
  - (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (2) if the rate specified in (1) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred, then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "SOFR" shall be equal to the rate determined in accordance with (i) above but as if:
  - (aa) references in this definition of "Weighted Average SOFR" to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x) SOFR<sub>i</sub> in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR<sub>i</sub> in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly); and

- (bb) the reference in paragraph (i) above to the “daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve’s Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date” were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve’s Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve’s Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

“SOFR Index Cessation Effective Date” means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate) ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

“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 daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily 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 daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily 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 daily Secured Overnight Financing Rate; or
- (iii) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“SOFR Reset Date” means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day in the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date (such period, the “Cut-Off Period”);

“SOFR<sub>i</sub>” means, in relation to any Interest Period and any U.S. Government Securities Business Day “i”:

- (i) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (ii) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period; and

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

“Weighted Average U.S. Federal Funds Rate” means:

D1/D2

where:

“D1” means, in respect of an Interest Period, the sum of the Relevant Rates for each calendar day in such Interest Period. For any calendar day in the relevant Interest Period that is an Interest Determination Date, the “Relevant Rate” is the U.S. Federal Funds Rate on such Interest Determination Date. For any calendar day in such Interest Period that is not an Interest Determination Date, the Relevant Rate for such calendar day shall be the Relevant Rate on the immediately preceding Interest Determination Date; and

“D2” shall mean the number of calendar days in the Interest Period.

## **25. GOVERNING LAW**

The Trust Deed, the Notes and the Coupons (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, English law.

## **26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## SCHEDULE 2

### FORMS OF GLOBAL AND DEFINITIVE NOTES, COUPONS AND TALONS

#### PART 1

#### FORM OF TEMPORARY GLOBAL NOTE

**M&G plc**  
(the **Issuer**)

*(incorporated with limited liability in England and Wales)*

#### TEMPORARY GLOBAL NOTE

This Note is a Temporary Global Note in respect of a duly authorised issue of Notes of the Issuer (the **Notes**) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the relevant Terms and Conditions of the Notes as set out in Part 1 or 2, as the case may be, of the Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date (if any) and/or on such date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note to or to the order of the Issue and Paying Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes.

If the Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note the Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation, the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make entries referred to above shall not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Issue and Paying Agent by Clearstream, Luxembourg or Euroclear a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate of non-US beneficial ownership in the form required by it. The bearer of this Global Note will not (unless upon due presentation of this Global Note for exchange, delivery of the appropriate number of Definitive Bearer Notes (together, if applicable, with the Coupons and Talons appertaining thereto in or substantially in the forms set out in Parts 3, 4 and 5 of the Schedule 2 to the Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Global Note may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms, either (a) Definitive Bearer Notes and (if applicable) Coupons and/or Talons (on the basis that all the appropriate details have been included on the face of such Definitive Bearer Notes and (if applicable) Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Definitive Bearer Notes) or (b) either, if the Final Terms indicates that this Global Note is intended to be a New Global Note, interests recorded in the records of the relevant Clearing Systems in a Permanent Global Note or, if the Final Terms indicates that this Global Note is not intended to be a New Global Note, a Permanent Global Note, which, in either case, is in or substantially in the form set out in Part 2 of the Schedule 2 to the Trust Deed (together with the Final Terms attached thereto) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Note and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the Final Terms.

If Definitive Bearer Notes and (if applicable) Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Global Note, then this Global Note may only thereafter be exchanged for Definitive Bearer Notes and (if applicable) Coupons and/or Talons pursuant to the terms hereof. This Global Note may be exchanged by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for general business in London.

The Issuer shall procure that Definitive Bearer Notes or (as the case may be) the Permanent Global Note shall be issued and delivered and (in the case of the Permanent Global Note where the Final Terms indicates that this Global Note is intended to be a New Global Note) interests in the Permanent Global Note shall be recorded in the records of the relevant Clearing Systems in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Issue and Paying Agent by Euroclear or Clearstream, Luxembourg a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate of non-US beneficial ownership from such person in the form required by it.

On an exchange of the whole of this Global Note, this Global Note shall be surrendered to or to the order of the Issue and Paying Agent. The Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, on an exchange of the whole or part only of this Global Note, details of such exchange shall be entered pro rata in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, on an exchange of part only of this Global Note details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged. On any exchange of this Global Note for a Permanent Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Note and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4 and 5 (as applicable) of the Schedule 2 to the Trust Deed.

For so long as all of the Notes are represented by this Global Note and/or a Permanent Global Note and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, provided that, so long as such Notes are listed on a stock exchange or admitted to listing by another relevant authority, such stock exchange or other relevant authority so agrees. Any such notice shall be deemed to have been given to the Holders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as all of the Notes are represented by this Global Note and/or a Permanent Global Note and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg (as the case may be) as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Issue and Paying Agent, the other Paying Agents and the Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of this Global Note in

accordance with and subject to the terms of this Global Note and the Trust Deed. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any document and/or evidence and/or information and/or certification to such effect purporting to be issued or given by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

Claims against the Issuer in respect of principal and interest on the Notes represented by this Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 of the Senior Notes and Condition 24 of the Tier 2 Notes).

In the case of Senior Notes only, for so long as all of the Notes are represented by this Global Note and/or a Permanent Global Note and such Global Notes(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Holders provided for in Condition 7.4 of the Notes may be exercised by the Accountholders giving a duly completed redemption notice in the form obtainable from any of the Paying Agents to the Issue and Paying Agent of the nominal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Issue and Paying Agent for notation accordingly within the time limits set forth in that Condition. Such redemption notices may also be given in electronic form in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (as the case may be).

In the case of Senior Notes only, for so long as all of the Notes are represented by this Global Note and/or a Permanent Global Note and such Global Notes(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no drawing (if applicable) of Notes will be required under Condition 7.3 of the Terms and Conditions in the event that the Issuer exercises its call option pursuant to Condition 7.3 in respect of less than the aggregate nominal amount of the Notes outstanding at such time. In such even, the standard procedures of Euroclear and/or Clearstream, Luxembourg shall operate to determine which interests in the Global Note(s) are to be subject to such option.

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system specified in the relevant Final Terms or as may otherwise be approved by the Issuer, the Issue and Paying Agent and the Trustee.

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

This Global Note (and any non-contractual obligations arising therefrom or in connection therewith) is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Issue and Paying Agent and, if the Final Terms indicates that this Global Note is intended to be a New Global Note which is either (i) intended to be held in a manner which would allow Eurosystem eligibility, or (ii) in respect of which the Issuer has notified the Issue and Paying Agent that effectuation is to be applicable, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS** whereof the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of [            ].

**M&G PLC**

By: .....  
**Duly Authorised**

Authenticated without recourse,  
warranty or liability by  
Citibank, N.A., London Branch  
as Issue and Paying Agent.

By: .....  
**Authorised Officer**

<sup>1</sup>Effectuated without recourse,  
warranty or liability by

.....  
as common safekeeper

By: .....  
**Authorised Officer**

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<sup>1</sup> This should only be completed where the Final Terms indicates that this Global Note is intended to be a New Global Note.









## PART 2

### FORM OF PERMANENT GLOBAL NOTE

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>

**M&G plc**  
(the **Issuer**)

*(incorporated with limited liability in England and Wales)*

### PERMANENT GLOBAL NOTE

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes of the Issuer (the **Notes**) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the relevant Terms and Conditions of the Notes as set out in Part 1 or 2, as the case may be, of the Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date (if any) and/or on such date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note to or to the order of the Issue and Paying Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes.

If the Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the

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<sup>1</sup> This legend can be deleted if the C Rules or TEFRA Not Applicable is specified in the applicable Final Terms.

bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II or Part III of Schedule One hereto or in Schedule Two hereto.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of any of the Notes represented by this Global Note the Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation, the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof and any failure to make entries referred to above shall not affect such discharge.

If the Notes represented by this Global Note were, on issue, represented by a Temporary Global Note then on any exchange of such Temporary Global Note for this Global Note or any part hereof, the Issuer shall procure that:

- (a) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such exchange shall be entered in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged; or
- (b) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.

This Global Note may be exchanged (free of charge) in whole, but not in part, for Definitive Bearer Notes and (if applicable) Coupons and/or Talons in or substantially in the forms set out in Parts 3, 4 and 5 of the Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Bearer Notes and (if applicable) Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Definitive Bearer Notes) either, as specified in the applicable Final Terms:

- (i) upon not less than 30 days' written notice being given to the Issue and Paying Agent by Euroclear and/or Clearstream Luxembourg (acting on the instructions of any holder of an interest in this Global Note); or
- (ii) only upon the occurrence of an Exchange Event.

**An Exchange Event** means:

- (a) an Event of Default has occurred and is continuing;
- (b) Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any such case no alternative clearing system satisfactory to the Trustee is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Holders in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, of the occurrence of such Exchange Event; and
- (ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Note) or the Trustee may give notice to the Issue and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Issue and Paying Agent requesting exchange.

Any such exchange shall occur on a date specified in the notice not later than 45 days after the date of receipt of the first relevant notice by the Issue and Paying Agent.

The first notice requesting exchange in accordance with the above provisions shall give rise to the issue of Definitive Bearer Notes for the total nominal amount of Notes represented by this Global Note.

Any such exchange as aforesaid will be made on any day (other than a Saturday or a Sunday) on which banks are open for general business in London by the bearer of this Global Note.

The aggregate nominal amount of Definitive Bearer Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note. Upon exchange of this Global Note for Definitive Bearer Notes, the Issue and Paying Agent shall cancel it or procure that it is cancelled.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the bearer of Definitive Bearer Notes and the relative Coupons and/or Talons (if any) in the form(s) set out in Parts 3, 4 and 5 (as applicable) of the Schedule 2 to the Trust Deed.

For so long as all of the Notes are represented by a Temporary Global Note and/or this Global Note and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, provided that, so long as such Notes are listed on a stock exchange or admitted to listing by another relevant

authority, such stock exchange or other relevant authority so agrees. Any such notice shall be deemed to have been given to the Holders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as all of the Notes are represented by a Temporary Note and/or this Global Note and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg (as the case may be) as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Issue and Paying Agent, the other Paying Agents and the Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any document and/or evidence and/or information and/or certification to such effect purporting to be issued or given by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

Claims against the Issuer in respect of principal and interest on the Notes represented by this Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 of the Senior Notes or Condition 24 of the Tier 2 Notes, as the case may be).

In the case of Senior Notes only, for so long as all of the Notes are represented by a Temporary Global Note and/or this Global Note and such Global Notes(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Holders provided for in Condition 7.4 of the Notes may be exercised by the Accountholders giving a duly completed redemption notice in the form obtainable from any of the Paying Agents to the Issue and Paying Agent of the nominal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Issue and Paying Agent for notation accordingly within the time limits set forth in that Condition. Such redemption notices may also be given in electronic form in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (as the case may be).

In the case of Senior Notes only, for so long as all of the Notes are represented by a Temporary Global Note and/or this Global Note and such Global Notes(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no drawing (if applicable) of Notes will be required under Condition 7.3 of the Terms and Conditions in the event that the Issuer exercises its call option pursuant to Condition 7.3 in respect of less than the aggregate nominal amount of the Notes outstanding at such time. In such even, the standard procedures of Euroclear and/or Clearstream, Luxembourg shall operate to determine which interests in the Global Note(s) are to be subject to such option.

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system specified in the relevant Final Terms or as may otherwise be approved by the Issuer, the Issue and Paying Agent and the Trustee.

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

This Global Note (and any non-contractual obligations arising therefrom or in connection therewith) is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Issue and Paying Agent and, if the Final Terms indicates that this Global Note is intended to be a New Global Note which is either (i) intended to be held in a manner which would allow Eurosystem eligibility, or (ii) in respect of which the Issuer has notified the Issue and Paying Agent that effectuation is to be applicable, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS** whereof the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of [            ].

**M&G PLC**

By: .....  
**Duly Authorised**

Authenticated without recourse,  
warranty or liability by  
Citibank, N.A., London Branch  
as Issue and Paying Agent.

By: .....  
**Authorised Officer**

<sup>2</sup>Effectuated without recourse,  
warranty or liability by

.....  
as common safekeeper

By: .....  
**Authorised Officer**

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<sup>2</sup> This should only be completed where the Final Terms indicates that this Global Note is intended to be a New Global Note.









### PART 3

#### FORM OF DEFINITIVE BEARER NOTE

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>

**M&G plc**  
(the **Issuer**)

*(incorporated with limited liability in England and Wales)*

[**Specified Currency and Nominal Amount of Tranche**]

**NOTES [DUE**  
**[Year of Maturity]]**

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (**Notes**). References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Part [1/2] of the Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information (appearing in the Final Terms (the **Final Terms**)) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date (if any) or on such date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Note and to pay interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by Citibank, N.A., London Branch as Issue and Paying Agent.

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<sup>1</sup> This legend can be deleted if the C Rules or TEFRA Not Applicable is specified in the applicable Final Terms.

**IN WITNESS** whereof this Note has been executed on behalf of the Issuer.

Issued as of [            ].

**M&G plc**

By: .....

**Duly Authorised**

Authenticated without recourse, warranty or liability by  
Citibank, N.A., London Branch as Issue and Paying Agent.

By: .....

**Authorised Officer**

**[Conditions]**

[Conditions to be as set out in the relevant Part of the Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

## **Final Terms**

[Here to be set out the text of the relevant information supplementing,  
replacing or modifying the Conditions which appears in the Final Terms  
relating to the Notes]

**PART 4**  
**FORM OF COUPON**

On the front:

**M&G plc**

[Specified Currency and Nominal Amount of Tranche]  
**NOTES [DUE**  
**[Year of Maturity]]**

**Series No. [    ]**

[Coupon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].<sup>1</sup>

**Part A**

**[For Fixed Rate Notes:**

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes.

Coupon for  
[        ]  
due on [        ], [        ]]

**Part B**

**[For Floating Rate Notes or Reset Notes:**

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in [    ] [    ]/[    ]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

**[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>2</sup>**

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<sup>1</sup> Delete as applicable.

<sup>2</sup> This legend can be deleted if the C Rules or TEFRA Not Applicable is specified in the applicable Final Terms.

**PART 5**  
**FORM OF TALON**

On the front:

**M&G plc**

**[Specified Currency and Nominal Amount of Tranche]**

**NOTES [DUE**

**[Year of Maturity]]**

**Series No. [       ]**

[Talon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]]<sup>1</sup>.

On and after [       ] further Coupons [and a further Talon]<sup>2</sup> appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Holders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

**[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>3</sup>**

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<sup>1</sup> Delete as applicable.

<sup>2</sup> Delete as applicable.

<sup>3</sup> This legend can be deleted if the C Rules or TEFRA Not Applicable is specified in the applicable Final Terms.

On the back of Coupons and Talons:

**ISSUE AND PAYING AGENT**

Citibank, N.A., London Branch Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

## PART 6

### FORMS OF REGISTERED GLOBAL NOTES

**[THE NOTES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY BE TRANSFERRED ONLY PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AS SET FORTH BELOW.**

**THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS GLOBAL NOTE IS ISSUED (OR ANY BENEFICIAL INTEREST OR PARTICIPATION HEREIN) ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING THIS GLOBAL NOTE OR ANY BENEFICIAL INTEREST OR PARTICIPATION HEREIN, (1) REPRESENTS FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO SUCH NOTES THAT IT IS THE SOLE BENEFICIAL OWNER OF THE NOTES REPRESENTED HEREBY OR IS PURCHASING SUCH NOTES FOR ONE OR MORE ACCOUNTS MAINTAINED BY IT OR OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION AND THAT EITHER (A) IT AND ANY SUCH ACCOUNT ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S OF THE SECURITIES ACT) AND ARE NOT PURCHASING SUCH NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, OR (B) IT AND ANY SUCH ACCOUNT ARE QUALIFIED INSTITUTIONAL BUYERS (QIBS) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (2) ACKNOWLEDGES THAT SUCH NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD, RESOLD OR DELIVERED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH ACT IN ACCORDANCE WITH THE TERMS HEREOF, (3) AGREES TO NOTIFY ANY SUBSEQUENT TRANSFEREE OF THE TRANSFER RESTRICTIONS SET OUT HEREIN AND THAT IT WILL BE A CONDITION TO SUCH TRANSFER THAT THE TRANSFEREE WILL BE DEEMED TO MAKE THE REPRESENTATIONS SET OUT HEREIN, AND (4) AGREES, FOR THE BENEFIT OF THE ISSUER, THAT SUCH NOTES MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED EXCEPT IN COMPLIANCE WITH THE AGENCY AGREEMENT AND OTHER THAN (A) TO THE ISSUER OR ANY AFFILIATE THEREOF, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE U.S. STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE REGISTRAR'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE, RESALE, PLEDGE, TRANSFER OR DELIVERY PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.**

**PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.**

**EACH HOLDER OF THIS GLOBAL NOTE OR AN INTEREST HEREIN AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.]<sup>1</sup>**

**[THE NOTES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE OFFER, SALE, PLEDGE OR TRANSFER OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. BY PURCHASING OR OTHERWISE ACQUIRING THE NOTES REPRESENTED BY THIS GLOBAL NOTE, THE HOLDER THEREOF ACKNOWLEDGES THAT THE NOTES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT. THE HOLDER AGREES FOR THE BENEFIT OF THE ISSUER THAT, IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE PRIOR TO THE DATE WHICH IS 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE, THE NOTES REPRESENTED BY THIS GLOBAL NOTE MAY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND IN COMPLIANCE WITH THE AGENCY AGREEMENT, AND ONLY (A) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE U.S. STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS; PROVIDED THAT, IN THE CASE OF A TRANSFER PURSUANT TO CLAUSE (A), A TRANSFEROR OF THE NOTES WILL BE REQUIRED (1) TO EXECUTE AND DELIVER TO THE ISSUER AND THE REGISTRAR A CERTIFICATE OF TRANSFER (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND CAN BE OBTAINED FROM THE REGISTRAR) AND (2) TO EXCHANGE THE PORTION OF THIS GLOBAL NOTE TO BE SO TRANSFERRED FOR AN INTEREST IN A RULE 144A GLOBAL NOTE OR A DEFINITIVE REGISTERED NOTE (AS SET OUT IN THE APPLICABLE FINAL TERMS) TO BE REGISTERED IN THE NAME OF THE TRANSFEREE.**

**EACH HOLDER OF THIS NOTE OR AN INTEREST HEREIN AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

**THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.]<sup>2</sup>**

**[FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE U.S. INTERNAL REVENUE CODE OF 1986, THIS SECURITY HAS ORIGINAL ISSUE DISCOUNT OF [currency][amount] PER EACH [currency][amount] OF PRINCIPAL AMOUNT OF THIS SECURITY; THE ISSUE PRICE OF THIS SECURITY IS [currency][amount]; THE ISSUE DATE IS [date]; AND THE YIELD TO MATURITY (COMPOUNDED [semi-annually]) IS [yield].]<sup>3</sup>**

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<sup>1</sup> This legend shall be borne by each Rule 144A Global Note.

<sup>2</sup> This legend shall be borne by each Regulation S Global Note.

<sup>3</sup> This legend must be borne by any Registered Note issued with "original issue discount" for U.S. federal income tax purposes under Rule 144A.

**M&G plc**  
(the **Issuer**)  
*(incorporated with limited liability in England and Wales)*

**GLOBAL NOTE**

The Issuer hereby certifies that at the date hereof, the person whose name is entered in the Register is the registered holder of the aggregate Nominal Amount of \_\_\_\_\_ of a duly authorised issue of Notes of the Issuer (the **Notes**) of the Specified Currency and Specified Denomination(s) specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is annexed hereto. References herein to the Conditions shall be to the relevant Conditions of the Notes as set out in Part [1/2] of the Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, agrees to pay to such registered holder on the Maturity Date (if any) and/or on such date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, in accordance with Condition 6.4 and, at maturity, surrender of this Global Note at the specified office of the Registrar at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or such other specified office as may be specified for this purpose in accordance with the Conditions. On any redemption or payment of interest being made in respect of, or purchase and cancellation of any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the nominal amount of this Global Note and the Notes held by the registered holder hereof shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled. The nominal amount of this Global Note and of the Notes held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

Payments of the principal of, and interest (if any) on, this Global Note will be made to the nominee of [DTC/Euroclear/Clearstream, Luxembourg] as the registered holder of this Global Note. None of the Issuer, the Trustee, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

This Global Note may be exchanged (free of charge) in whole, but not in part, for Definitive Registered Notes only upon the occurrence of an Exchange Event.

An **Exchange Event** means:

- (a) an Event of Default has occurred and is continuing;

- (b) in the case of Notes represented by a Rule 144A Global Note only, The Depository Trust Company at its office at 55 Water Street, New York, NY10041, United States of America (**DTC**) has notified the Issuer that it is no longer willing or able to continue to discharge properly its responsibilities as depository for the Notes or has ceased to be a **Clearing Agency** registered under the United States Securities Exchange Act of 1934 or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of ineligibility on the part of such depository;
- (c) in the case of Notes represented by a Regulation S Global Note only, Euroclear or Clearstream, Luxembourg (each as defined below) has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and, in any such case, no alternative clearing system satisfactory to the Trustee is available; or
- (d) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by this Global Note in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee.

Upon the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Holders in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, of the occurrence of such Exchange Event; and
- (ii) DTC, Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**) (acting on the instructions of any holder of an interest in this Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (d) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Notes represented by this Global Note are transferable only in accordance with, and subject to, the provisions hereof and of the Agency Agreement dated 20 December 2019 (as modified and/or supplemented and/or restated from time to time) and the rules and operating procedures of Euroclear, Clearstream, Luxembourg and DTC.

On any transfer pursuant to which either (i) Notes represented by this Global Note are no longer to be so represented or (ii) Notes not so represented are to be so represented details of such transfer shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such transfer shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes held by the registered holder hereof shall be increased or reduced (as the case may be) by the nominal amount so transferred.

Subject as provided in the following paragraph, until the exchange of the whole of this Global Note as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Definitive Registered Notes in the form set out in Part 7 of the Schedule 2 to the Trust Deed.

For so long as all of the Notes are represented by one or more Registered Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, notices to Holders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC (as the case may be) for communication to the relative Accountholders (as defined below) rather than by mailing as required by Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, provided that, so long as such Notes are listed on a stock exchange or admitted to listing by another

relevant authority, such stock exchange or other relevant authority so agrees. Any such notice shall be deemed to have been given to the Holders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg and/or DTC (as the case may be) as aforesaid.

For so long as all of the Notes are represented by one or more Registered Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg and/or DTC as the holder of a particular nominal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg and/or DTC (as the case may be) as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such nominal amounts of such Notes for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Holders) other than with respect to the payment of principal and interest on such nominal amount of such Notes and, in the case of DTC or its nominee, voting, giving consents and making requests, the rights to which shall be vested, as against the Issuer and the Trustee, solely in the registered holder of the Registered Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, for its share of each payment made to the registered holder of the relevant Global Note.

Claims against the Issuer in respect of principal and interest on the Notes represented by this Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 of the Senior Notes or Condition 24 of the Tier 2 Notes, as the case may be).

In the case of Senior Notes only, for so long as all of the Notes are represented by a one or more Registered Global Notes and such Global Notes(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, the option of the Holders provided for in Condition 7.4 of the Terms and Conditions of the Notes may be exercised by the Accountholders giving a duly completed redemption notice in the form obtainable from any of the Paying Agents to the Issue and Paying Agent of the nominal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Issue and Paying Agent for notation accordingly within the time limits set forth in that Condition. Such redemption notices may be in electronic form in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg and/or DTC (as the case may be).

In the case of Senior Notes only, for so long as all of the Notes are represented by one or more Registered Global Notes and such Global Notes(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, no drawing (if applicable) of Notes will be required under Condition 7.3 of the Terms and Conditions in the event that the Issuer exercises its call option pursuant to Condition 7.3 in respect of less than the aggregate nominal amount of the Notes outstanding at such time. In such even, the standard procedures of Euroclear and/or Clearstream, Luxembourg shall operate to determine which interests in the Global Note(s) are to be subject to such option.

References herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall be deemed to include references to any other clearing system specified in the relevant Final Terms or as may otherwise be approved by the Issuer, the Issue and Paying Agent and the Trustee.

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

This Global Note (and any non-contractual obligations arising therefrom or in connection therewith) is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch as Registrar and effectuated by the entity appointed as Common Safekeeper by Euroclear or Clearstream, Luxembourg.

IN WITNESS whereof the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

**M&G plc**

By: .....

**Duly Authorised**

Authenticated without recourse, warranty or liability by Citibank, N.A., London Branch as Registrar

By: .....

**Authorised Officer**

Effectuated without recourse, warranty or liability by [common safekeeper] as Common Safekeeper

By: .....

**Authorised Officer**









## **PART 7**

## FORM OF DEFINITIVE REGISTERED NOTE

[THE NOTES REPRESENTED BY THIS DEFINITIVE REGISTERED NOTE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY BE TRANSFERRED ONLY PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AS SET FORTH BELOW.

THE REGISTERED OWNER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS DEFINITIVE REGISTERED NOTE IS ISSUED, (1) REPRESENTS FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE NOTES THAT IT IS THE SOLE BENEFICIAL OWNER OF THE NOTES REPRESENTED HEREBY OR IS PURCHASING SUCH NOTES FOR ONE OR MORE ACCOUNTS MAINTAINED BY IT OR OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION AND THAT EITHER (A) IT AND ANY SUCH ACCOUNT ARE NOT U.S. PERSONS (AS DEFINED IN REGULATIONS OF THE SECURITIES ACT) AND ARE NOT PURCHASING SUCH NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, OR (B) IT AND ANY SUCH ACCOUNT ARE QUALIFIED INSTITUTIONAL BUYERS (QIBS) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (2) ACKNOWLEDGES THAT THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD, RESOLD OR DELIVERED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH ACT IN ACCORDANCE WITH THE TERMS HEREOF, AND (3) AGREES, FOR THE BENEFIT OF THE ISSUER, THAT SUCH NOTES MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED EXCEPT IN COMPLIANCE WITH THE AGENCY AGREEMENT AND OTHER THAN (A) TO THE ISSUER OR ANY AFFILIATE THEREOF, (B) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE U.S. STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE REGISTRAR'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE, RESALE, PLEDGE, TRANSFER OR DELIVERY PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

EACH HOLDER OF THIS DEFINITIVE REGISTERED NOTE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS DEFINITIVE REGISTERED NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.]<sup>1</sup>

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<sup>1</sup> This legend shall be borne only by Definitive Registered Notes originally issued in definitive form or issued in exchange for a Rule 144A Registered Global Note.

**[FOR PURPOSES OF SECTIONS 1271 ET. SEQ. OF THE U.S. INTERNAL REVENUE CODE OF 1986, THIS SECURITY HAS ORIGINAL ISSUE DISCOUNT OF [currency][amount] PER EACH [currency][amount] OF PRINCIPAL AMOUNT OF THIS SECURITY; THE ISSUE PRICE OF THIS SECURITY IS [currency][amount]; THE ISSUE DATE IS [date]; AND THE YIELD TO MATURITY (COMPOUNDED [semi-annually]) IS [yield].]**<sup>2</sup>

**M&G plc**  
(the **Issuer**)

*(incorporated with limited liability in England and Wales)*

**[Specified Currency and Nominal Amount of Tranche]**

**NOTES [DUE  
[Year of Maturity]]**

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer. References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Part [1/2] of the Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out hereon] as supplemented, replaced and modified by the relevant information (appearing in the Final Terms (the **Final Terms**)) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 December 2019 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes.

THIS IS TO CERTIFY that \_\_\_\_\_ is/are the registered holder(s) of one of the above-mentioned Notes and is/are entitled on the Maturity Date (if any) or on such date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, to the amount payable on redemption of this Note and to receive interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by Citibank, N.A., London Branch as Registrar.

**IN WITNESS** whereof this Note has been executed on behalf of the Issuer.

**M&G plc**

By: .....  
**Duly Authorised**

Authenticated without recourse, warranty or liability by Citibank, N.A., London Branch as Registrar

By: .....  
**Authorised Officer**

\_\_\_\_\_

<sup>2</sup> This legend must be borne by any Registered Note issued with "original issue discount" for U.S. federal income tax purposes under Rule 144A.

**- FORM OF TRANSFER OF REGISTERED NOTE -**

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

.....  
.....  
.....

(Please print or type name and address (including postal code) of transferee)

[Specified Currency][ ] nominal amount of this Note and all rights hereunder, hereby irrevocably constituting and appointing ..... as attorney to transfer such nominal amount of this Note in the register maintained by M&G plc with full power of substitution.

Signature(s) .....  
.....

Date: .....

**N.B.:** This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.

**[Conditions]**

[Conditions to be as set out in the relevant Part of the Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Issue and Paying Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

## **Final Terms**

[Here to be set out text of the relevant information supplementing, replacing or modifying the Conditions which appear in the Final Terms relating to the Notes]

### SCHEDULE 3

#### PROVISIONS FOR MEETINGS OF HOLDERS

1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
  - (i) **voting certificate** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
    - (A) that on the date thereof Bearer Notes (whether in definitive form or represented by a Bearer Global Note and not being Bearer Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Notes will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
      - II. the surrender of the certificate to the Paying Agent who issued the same; and
    - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Notes represented by such certificate;
  - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
    - (A) it is certified that Bearer Notes (whether in definitive form or represented by a Bearer Global Note and not being Bearer Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Notes will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
      - II. the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Note which is to be released or (as the case may require) the Bearer Note or Bearer Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;

- (B) it is certified that each holder of such Bearer Notes has instructed such Paying Agent that the vote(s) attributable to the Bearer Note or Bearer Notes so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
  - (C) the aggregate principal amount of the Bearer Notes so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (D) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Notes so listed in accordance with the instructions referred to in (C) above as set out in such document;
- (iii) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (b) A holder of a Bearer Note (whether in definitive form or represented by a Bearer Global Note) may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note by depositing such Bearer Note with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Note being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in subparagraph 1(a)(i)(A) or 1(a)(ii)(A) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in subparagraph 1(a)(ii)(B) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Holders be deemed to be the holder of the Bearer Notes to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Notes have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Notes have been blocked shall be deemed for such purposes not to be the holder of those Bearer Notes.

- (c) (i) A holder of Registered Notes (whether in definitive form or represented by a Registered Global Note (other than a Registered Note referred to in (iv) below)) may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Holders and any adjourned such meeting.
- (i) Any holder of Registered Notes (whether in definitive form or represented by a Registered Global Note) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Holders and any adjourned such meeting.
- (ii) Any proxy appointed pursuant to subparagraph (i) above or representative appointed pursuant to subparagraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Holders, to be the holder of the Registered Notes to which such appointment relates and the holder of the Registered Notes shall be deemed for such purposes not to be the holder.
- (iii) For so long as any of the Registered Notes is represented by a Global Note registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Holders. Such Omnibus Proxy shall assign the voting rights in respect of the relevant meeting to DTC's direct participants as of the record date specified therein. Any such assignee participant may, by an instrument in writing in the English language signed by such assignee participant, or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent before the time fixed for the relevant meeting, appoint any person (a sub-proxy) to act on his or its behalf in connection with any meeting of Holders and any adjourned such meeting. All references to proxy or proxies in this Schedule other than in this paragraph shall be read so as to include references to sub-proxy or sub-proxies.

2. The Issuer or the Trustee may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than five per cent. in nominal amount of the Notes for the time being outstanding convene a meeting of the Holders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the requisitionists. Whenever the Issuer is about to convene any such meeting the Issuer shall forthwith give notice in writing to the Trustee of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Trustee may appoint or approve.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Notes prior to any meeting of such holders in the manner provided by Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include

statements, if applicable, to the effect that (a) Bearer Notes may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies and (b) the holders of Registered Notes may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee) and to the Issuer (unless the meeting is convened by the Issuer).

4. A person (who may but need not be a Holder) nominated in writing by the Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Holders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in nominal amount of the Notes for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (each of which shall, subject only to paragraph 18, only be capable of being effected after having been approved by Extraordinary Resolution) namely:
  - (a) reduction or cancellation of the amount payable or, where applicable, modification, except where such modification is in the opinion of the Trustee bound to result in an increase, of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes;
  - (b) alteration of the currency in which payments under the Notes and Coupons are to be made;
  - (c) alteration of the majority required to pass an Extraordinary Resolution;
  - (d) the sanctioning of any such scheme or proposal as is described in paragraph 18(i) below; and
  - (e) alteration of this proviso or the proviso to paragraph 6 below,

the quorum shall be one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the nominal amount of the Notes for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Holders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day

is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Definitive Notes of the relevant one or more Series or voting certificates or being proxies or representatives (whatever the nominal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding Definitive Notes or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the nominal amount of the Notes for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the required quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Holder of a voting certificate or as a proxy or as a representative.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Trustee or any person present holding a Definitive Note of the relevant Series or a voting certificate or being a proxy or representative (whatever the nominal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of these presents and any director or officer of the Issuer and the lawyers of either of them and any other person authorised so to do by the Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of outstanding in Clause 1, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Holders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Holders by Condition 10 of the Senior Notes or Condition 17 of the Tier 2 Notes, as the case may be, unless he either produces the Definitive Bearer Note or Definitive Bearer Notes of which he is the holder or a voting certificate or is a proxy or a representative or is the holder of a Definitive Registered Note or Definitive Registered Notes. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the Issuer or any Subsidiary of the Issuer. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy from being a director, officer or representative of or otherwise connected with the Issuer.
14. Subject as provided in paragraph 13 hereof at any meeting:
  - (a) on a show of hands every person who is present in person and produces a Definitive Bearer Note or voting certificate or is a holder of a Definitive Registered Note or is a proxy or representative shall have one vote; and
  - (b) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Trustee in its absolute discretion may stipulate) in nominal amount of the Definitive Bearer Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being a Definitive Registered Note) he is the registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction or form of proxy and representatives need not be Holders.
16. Each block voting instruction together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction and form of proxy shall be deposited with the Trustee before the commencement of the meeting or adjourned meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
17. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form

of proxy or of any of the relevant Holders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Note from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.

18. A meeting of the Holders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
- (a) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Trustee, any Appointee and the Holders and Couponholders or any of them.
  - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the Holders, the Couponholders, the Issuer against any other or others of them or against any of their property whether such rights shall arise under these presents or otherwise.
  - (c) Power to assent to any modification of the provisions of these presents which shall be proposed by the Issuer, the Trustee or any Holder.
  - (d) Power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution.
  - (e) Power to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon such committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution.
  - (f) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of these presents.
  - (g) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under these presents.
  - (h) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
  - (i) Power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Holders to execute an instrument of transfer of the Registered Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively.
19. Any resolution passed at a meeting of the Holders duly convened and held in accordance with these presents shall be binding upon all the Holders whether present or not present at such meeting and

whether or not voting and upon all Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Holders shall be published in accordance with Condition 14 of the Senior Notes or Condition 21 of the Tier 2 Notes, as the case may be, by the Issuer within 14 days of such result being known PROVIDED THAT the non-publication of such notice shall not invalidate such result.

20. The expression Extraordinary Resolution when used in these presents means (a) a resolution passed at a meeting of the Holders duly convened and held in accordance with these presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the Holders of not less than 75% in nominal amount of the Notes for the time being outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Holders.
21. Minutes of all resolutions and proceedings at every meeting of the Holders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (a) If and whenever the Issuer shall have issued and have outstanding Notes of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
  - (i) a resolution which in the opinion of the Trustee affects the Notes of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that Series;
  - (ii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series but does not give rise to a conflict of interest between the holders of Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the Series so affected;
  - (iii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series and gives or may give rise to a conflict of interest between the holders of the Notes of one Series or group of Series so affected and the holders of the Notes of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Notes of each Series or group of Series so affected; and
  - (iv) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Notes and Holders were references to the Notes of the Series or group of Series in question or to the holders of such Notes, as the case may be.
- (b) If the Issuer shall have issued and have outstanding Notes which are not denominated in sterling in the case of any meeting of holders of Notes of more than one currency the nominal amount of such Notes shall (i) for the purposes of paragraph 2 above be the equivalent in sterling at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into sterling on the seventh dealing day prior to the

day on which the requisition in writing is received by the Issuer and (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other sterling amount as the Trustee may in its absolute discretion stipulate) in nominal amount of the Notes (converted as above) which he holds or represents.

23. Subject to all other provisions of these presents the Trustee may without the consent of the Issuer, the Holders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Holders and attendance and voting thereat as the Trustee may in its sole discretion think fit.

## SIGNATORIES

**SIGNED** as a **DEED** by **M&G PLC**  
acting by its duly authorised attorney  
in the presence of:

)  
) Elisabeth Wenusch  
)

### **Witness's Signature:**

**Name:**  
**Address:**

Anthony Robson  
10 Fenchurch Avenue, London EC3M 5AB

**THE COMMON SEAL** of **THE LAW**  
**DEBENTURE TRUST CORPORATION**  
**p.l.c.** was hereunto affixed in this  
**DEED** in the presence of:

)  
)  
)  
)

Director

Richard Rance

Authorised Signatory

Abigail Holladay