

EXECUTION VERSION

FIFTEENTH SUPPLEMENTAL TRUST DEED

15 DECEMBER 2023

SKIPTON BUILDING SOCIETY

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH

**further modifying and restating the Trust Deed dated 7 December 2000
relating to a £2,000,000,000
Euro Medium Term Note Programme**

ALLEN & OVERY

Allen & Overy LLP

THIS FIFTEENTH SUPPLEMENTAL TRUST DEED is made on 15 December 2023

BETWEEN:

- (1) **SKIPTON BUILDING SOCIETY**, incorporated in England under the Building Societies Act 1986, whose principal office is at The Bailey, Skipton, North Yorkshire BD23 1DN, England (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, whose principal London office is at 160 Queen Victoria Street, London EC4V 4LA, 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 trustees for the Noteholders and the Couponholders (as defined in the Principal Trust Deed, as defined below).

WHEREAS:

- (A) This Fifteenth Supplemental Trust Deed is supplemental to:
 - (i) the Trust Deed dated 7 December 2000 (the **Principal Trust Deed**) made between the Issuer and the Trustee and relating to a £750,000,000 Euro Medium Term Note Programme established by the Issuer;
 - (ii) the First Supplemental Trust Deed dated 9 April 2001 (the **First Supplemental Trust Deed**) made between the Issuer and the Trustee and modifying the provisions of the Principal Trust Deed;
 - (iii) the Second Supplemental Trust Deed dated 6 December 2001 (the **Second Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (iv) the Third Supplemental Trust Deed dated 27 November 2002 (the **Third Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (v) the Fourth Supplemental Trust Deed dated 8 December 2004 (the **Fourth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (vi) the Fifth Supplemental Trust Deed dated 6 April 2006 (the **Fifth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (vii) the Sixth Supplemental Trust Deed dated 11 April 2007 (the **Sixth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (viii) the Seventh Supplemental Trust Deed dated 9 April 2008 (the **Seventh Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (ix) the Eighth Supplemental Trust Deed dated 11 November 2009 (the **Eighth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;

- (x) the Ninth Supplemental Trust Deed dated 24 April 2015 (the **Ninth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (xi) the Tenth Supplemental Trust Deed dated 15 June 2017 (the **Tenth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (xii) the Eleventh Supplemental Trust Deed dated 22 June 2018 (the **Eleventh Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed;
 - (xiii) the Twelfth Supplemental Trust Deed dated 17 July 2019 (the **Twelfth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed; and
 - (xiv) the Thirteenth Supplemental Trust Deed dated 11 September 2020 (the **Thirteenth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed; and
 - (xv) the Fourteenth Supplemental Trust Deed dated 6 June 2022 (the **Fourteenth Supplemental Trust Deed** and, together with the Principal Trust Deed, the First Supplemental Trust Deed, the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed, the Ninth Supplemental Trust Deed, the Tenth Supplemental Trust Deed, the Eleventh Supplemental Trust Deed, the Twelfth Supplemental Trust Deed, and the Thirteenth Supplemental Trust Deed, the **Subsisting Trust Deeds**) made between the Issuer and the Trustee and further modifying the provisions of the Principal Trust Deed.
- (B) On 15 December 2023 the Issuer published a modified and updated Base Prospectus relating to the Programme (the **Base Prospectus**).
- (C) The Issuer wishes to enter into this Fifteenth Supplemental Trust Deed to reflect the amendments to the Programme described in the Base Prospectus.

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

1. Unless there is anything in the subject or context inconsistent therewith, all words and expressions defined in the Principal Trust Deed (as previously modified and restated) shall have the same meanings in this Fifteenth Supplemental Trust Deed.
2. Save:
 - (a) in relation to any Series of Notes the first Tranche of which was issued during the period up to and including the day last preceding the date of this Fifteenth Supplemental Trust Deed; and
 - (b) for the purpose (where necessary) of construing the provisions of this Fifteenth Supplemental Trust Deed,

with effect on and from the date of this Fifteenth Supplemental Trust Deed:

- (i) the Principal Trust Deed (as previously modified and restated) is further modified and restated in such manner as would result in the Principal Trust Deed being in the form set out in the Schedule hereto; and
 - (ii) the provisions of the Principal Trust Deed (as previously modified and restated) insofar as the same still have effect shall cease to have effect and in lieu thereof the provisions of the Principal Trust Deed (being in the form set out in the Schedule hereto) shall have effect.
- 3. The Subsisting Trust Deeds and this Fifteenth Supplemental Trust Deed shall henceforth be read and construed as one document.
- 4. A memorandum of this Fifteenth Supplemental Trust Deed shall be endorsed by the Trustee on the original of the Principal Trust Deed and by the Issuer on its duplicate thereof.
- 5. This Fifteenth Supplemental Trust Deed may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Fifteenth Supplemental Trust Deed may enter into the same by executing and delivering a counterpart.
- 6. A person who is not a party to this Fifteenth Supplemental Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Fifteenth Supplemental Trust Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof this Fifteenth Supplemental Trust Deed has been executed as a deed by the Issuer and the Trustee and delivered on the date first above written.

SCHEDULE
FORM OF PRINCIPAL TRUST DEED

TRUST DEED

7 DECEMBER 2000
(AS MODIFIED AND RESTATED MOST RECENTLY ON 15 DECEMBER 2023)

SKIPTON BUILDING SOCIETY

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH

relating to a
£2,000,000,000
Euro Medium Term Note Programme

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THIS TRUST DEED is made on 7 December 2000 (as modified and restated most recently on 15 December 2023)

BETWEEN:

- (1) **SKIPTON BUILDING SOCIETY**, incorporated in England under the Building Societies Act 1986, whose principal office is at The Bailey, Skipton, North Yorkshire BD23 1DN, England (the **Issuer**); and
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, whose principal London office is at 160 Queen Victoria Street, London EC4V 4LA, 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 Noteholders and the Couponholders (each as defined below).

WHEREAS:

- (A) By a resolution of the Board of Directors of the Issuer passed on 20 November 2000, the Issuer has resolved to establish a Euro Medium Term Note Programme pursuant to which the Issuer may from time to time issue Notes as set out herein. Notes up to a maximum nominal amount (calculated in accordance with Clause 3.4 of the Programme Agreement (as defined below)) from time to time outstanding of £2,000,000,000 (subject to increase as provided in the Programme Agreement) (the **Programme Limit**) may be issued pursuant to the said Programme.
- (B) The Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders and the Couponholders 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, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in these presents (including the recitals) and the following expressions shall have the following meanings:

Agency Agreement means the agreement dated 15 December 2023, as amended and/or supplemented and/or restated from time to time, pursuant to which the Issuer has appointed the Principal Paying Agent, any other Paying Agent, the Registrar and the Transfer Agents 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 Transfer Agents or another Principal 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, modifying or replacing 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;

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 chartered accountants as may be nominated or approved in writing by the Trustee for the purposes of these presents;

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

Bearer Notes means those of the Notes for the time being in bearer form;

Calculation Agency Agreement means the agreement, as amended and/or supplemented and/or restated from time to time, pursuant to which the Issuer has appointed the Calculation Agent in relation to any relevant Series of the Notes and any other agreement for the time being in force appointing another Calculation Agent in relation to any relevant Series of the Notes, or in connection with its 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, modifying or replacing with the prior written approval of the Trustee any such agreement;

Calculation Agent means, in relation to all or any Series of the Notes, the person appointed as such from time to time pursuant to the provisions of the Agency Agreement or any Successor calculation agent in relation thereto;

Certificate means a certificate representing one or more Registered Notes of the same Series and, save as provided in the Conditions, comprising the entire holding by a Noteholder of his Registered Notes of that Series;

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

Clearstream, Luxembourg means Clearstream Banking, S.A;

Conditions means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1 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 Principal Paying Agent, the Trustee and the relevant Dealer(s) as 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;

Consolidated Revenue means the aggregate of:

- (a) net interest receivable;
- (b) income from associated bodies; and
- (c) other income and charges,

as shown in the then latest published audited annual or unaudited half-yearly consolidated accounts of the Issuer (or, as the case may be, its successor in business) and its Subsidiaries;

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 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 Principal Paying Agent, the Trustee and the relevant Dealer(s); or
- (b) if appertaining to a Floating Rate Note, in the form or substantially in the form set out in Part 4B of 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 Principal 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, in such form as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 12;

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

Dealers means Barclays Bank PLC, BNP Paribas, HSBC Bank plc, Lloyds Bank Corporate Markets plc, 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 Principal Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement but excluding any entity whose appointment has been terminated in accordance with the provisions of the Programme Agreement and notice of which termination has been given to the Principal Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Programme 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;

Deferred Shares means deferred shares within the meaning of the Act;

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 Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) in exchange for either a Temporary Bearer Global Note or part thereof or a Permanent Bearer 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 Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange or other relevant listing authority, 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 represented by a Certificate and issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and these presents in exchange for a Global Certificate, the Certificate representing such Registered Note in definitive form being in the form or substantially in the form set out in Part 7 of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange or other relevant listing authority, 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;

Electronic Means means the following communication methods: (i) non-secure methods of transmission or communication such as e-mail and facsimile transmission and (ii) secure electronic transmission containing applicable authorisation codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under these presents;

Euroclear means Euroclear Bank SA/NV;

Eurosystem means the central banking system for the euro;

Eurosystem-eligible NGN means a NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms;

Event of Default means, in relation to Senior Preferred Notes, any of the conditions, events or acts provided in Condition 10(a) to be Events of Default (being events upon the happening of which the Notes of any Series would, subject only to notice by the Trustee as therein provided, become immediately due and repayable) or, in relation to Subordinated Notes and Senior Non-Preferred Notes, an event described in Condition 10(b)(i) or (iii);

Extraordinary Resolution has the meaning set out in paragraph 20 of Schedule 3;

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

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

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 Certificate in the form or substantially in the form set out in Part 7 of Schedule 2;

Global Certificate means a Certificate substantially in the form set out in Part 6 of Schedule 2 representing Registered Notes of one or more Tranches of the same Series that are registered in the name of a nominee for Euroclear, Clearstream, Luxembourg and/or any other clearing system;

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

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

Liability 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 value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

London Business Day has the meaning set out in Condition 5(b)(vii)(A);

London Stock Exchange means the London Stock Exchange plc;

Loss Absorption Disqualification Event has the meaning given to it is Condition 7(g);

Material Subsidiary means at any time a Subsidiary of the Issuer:

- (a) whose gross income attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited annual consolidated accounts or, as the case may be, unaudited half-yearly consolidated accounts of the Issuer and its Subsidiaries relate, are equal to), as applicable, not less than 10% of the Consolidated Revenue of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited annual accounts or, as the case may be, unaudited half-yearly accounts (in each case consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited annual consolidated accounts or, as the case may be, unaudited half-yearly consolidated accounts of the Issuer and its Subsidiaries, provided that:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited annual consolidated accounts or, as the case may be, unaudited half-yearly consolidated accounts relate, the reference to the then latest audited annual consolidated accounts or, as the case may be, unaudited half-yearly consolidated accounts for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared (whether audited or unaudited) as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited annual accounts or, as the case may be, unaudited half-yearly accounts, adjusted as deemed appropriate by the Auditors; and

- (ii) if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated annual or, as the case may be, half-yearly accounts are prepared, its consolidated gross income attributable to the Issuer and consolidated total assets attributable to the Issuer shall be determined on the basis of *pro forma* consolidated annual or, as the case may be, half-yearly accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Auditors or the auditors for the time being of the relevant Subsidiary; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated annual or, as the case may be, half-yearly accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated annual or, as the case may be, half-yearly accounts have been prepared as aforesaid by virtue of the provisions of subparagraph (a) above or before, on or at any time after such date by virtue of the provisions of this subparagraph (b) or subparagraph (c) below; or
- (c) to which is transferred an undertaking or assets attributable to the Issuer which, taken together with the undertaking or assets attributable to the Issuer of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest relevant audited annual consolidated accounts or, as the case may be, unaudited half-yearly consolidated accounts of the Issuer and its Subsidiaries relate, generate gross income attributable to the Issuer equal to) not less than 10% of the Consolidated Revenue of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 10% of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross income attributable to the Issuer equal to) not less than 10% of the Consolidated Revenue of the Issuer, or its assets attributable to the Issuer represent (or, in the case aforesaid, are equal to) not less than 10% of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated annual or, as the case may be, half-yearly accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated annual or, as the case may be, half yearly accounts have been prepared as aforesaid by virtue of the provisions of subparagraph (a) above or before, on or at any time after such date by virtue of the provisions of this subparagraph (c) or subparagraph (b) above.

For the purposes of this definition if there shall at any time not be any relevant audited annual consolidated accounts or, as the case may be, unaudited half-yearly consolidated accounts of the Issuer and its Subsidiaries, references thereto herein shall be deemed to refer to a consolidation by the Auditors of the relevant annual or, as the case may be, half-yearly accounts of the Issuer and its Subsidiaries.

A certificate addressed to the Trustee by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

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

month means calendar month;

NGN means a Temporary Bearer Global Note or a Permanent Bearer Global Note and in either case in respect of which the applicable Final Terms indicates 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;

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 Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and these presents and which shall initially be represented by, and comprised in, either (i) a Temporary Bearer Global Note which may (in accordance with the terms of such Temporary Bearer Global Note) be exchanged for Definitive Bearer Notes or a Permanent Bearer Global Note, which Permanent Bearer Global Note may (in accordance with the terms of such Permanent Bearer Global Note) in turn be exchanged for Definitive Bearer Notes or (ii) a Permanent Bearer Global Note which may (in accordance with the terms of such Permanent Bearer Global Note) be exchanged for Definitive Bearer Notes and which shall, in the case of Registered Notes, be represented by, and comprised in, one or more Certificates each of which may in the case of a Global Certificate (in accordance with the terms of such Global Certificate) be exchanged for Definitive Registered Notes (all as indicated in the applicable Final Terms) and includes any replacements for a Note or Certificate issued pursuant to Condition 12;

Noteholders 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 such 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 Bearer Global Note deposited with a common depositary (in the case of a CGN) or common safekeeper (in the case of a NGN) or by a Global Certificate, 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) shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the relevant Bearer Global Note or, as the case may be, Global Certificate 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, the rights to which shall be vested, as against the Issuer and the Trustee, solely in such common depositary or common safekeeper or, as the case may be, the registered holder of such Global Certificate and for which purpose such common depositary or common safekeeper or, as the case may be, the registered holder of such Global Certificate 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 **Noteholder**, **holder** and **holder of Notes** and related expressions shall be construed accordingly;

notice means, in respect of a notice to be given to Noteholders, a notice validly given pursuant to Condition 15;

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 Financial Conduct Authority;

Order means The Banks and Building Societies (Priorities on Insolvency) Order 2018, as the same may be amended, supplemented or replaced from time to time;

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 Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative Noteholders in accordance with Condition 15) and remain available for payment against presentation of the relevant Notes and/or Certificates and/or Coupons;
- (c) those Senior Non-Preferred Notes substituted in accordance with Condition 7(l);
- (d) those Notes which have been purchased and cancelled in accordance with Conditions 7(i) and 7(j);
- (e) those Notes in respect of which claims have become prescribed under Condition 9;
- (f) those mutilated or defaced Bearer Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 12;
- (g) (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 Bearer Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 12; and
- (h) any Temporary Bearer Global Note to the extent that it shall have been exchanged for Definitive Bearer Notes or a Permanent Bearer Global Note, any Permanent Bearer Global Note to the extent that it shall have been exchanged for Definitive Bearer Notes, in each case pursuant to its 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 Noteholders or to participate in any Written Resolution or Electronic Consent or otherwise to pass an Extraordinary Resolution or any other resolution as envisaged in Schedule 3 and any direction or request by the holders of the Notes;

- (ii) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Clause 7.1, Conditions 10, 11 and 16 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 Subsidiary or holding company of the Issuer, 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 Principal 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 Bearer Global Note means a global note in the form or substantially in the form set out in Part 2 of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal 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 Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) and these presents;

Permitted Transfer has the meaning set out in Condition 10;

Potential Event of Default means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default;

Principal Paying Agent means, in relation to all or any Series of the Notes, The Bank of New York Mellon, London Branch at its office at 160 Queen Victoria Street, London EC4V 4LA, England, or, if applicable, any Successor principal paying agent;

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

Programme Agreement means the agreement dated 15 December 2023, as amended and/or supplemented and/or restated from time to time, between the Issuer and the 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;

Ranking Legislation means the Insolvency Act 1986, as amended (including by the Order) and any other law or regulation applicable to the Issuer which is amended by the Order;

Registered Notes means those of the Notes which are for the time being in registered form;

Registrar means, in relation to all or any Series of the Registered Notes, The Bank of New York Mellon SA/NV, Luxembourg Branch at its office at 2-4 Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg or, if applicable, any Successor registrar;

Regulatory Approval means, at any time, such approval, consent, prior permission or non-objection from, or notification required within prescribed periods to, the relevant Supervisory Authority, or such waiver of the then prevailing Capital Adequacy Regulations and/or Loss Absorption Regulations from the relevant Supervisory Authority, as is required under the then prevailing Capital Adequacy Regulations and/or Loss Absorption Regulations (as applicable) at such time;

Relevant Date has the meaning set out in Condition 8;

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

Sanctions means all economic sanctions laws, rules, regulations, executive orders and requirements administered by any governmental authority of the United States (including the Office of Foreign Assets Control of the U.S. Department of the Treasury (**OFAC**)), the United Nations Security Council, the European Union, HM Treasury or any other applicable domestic or foreign authority with jurisdiction over the Issuer;

Senior Creditors means all creditors in respect of claims which rank in priority to claims in respect of the Subordinated Notes, including (i) all Senior Claims, (ii) all Senior Non-Preferred Claims and (iii) those Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Subordinated Notes;

Senior Non-Preferred Note means a Note specified as such in the applicable Final Terms;

Senior Preferred 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 (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and the expressions **Notes of the relevant Series, holders of Notes of the relevant Series** and related expressions shall be construed accordingly;

Stock Exchange means the London Stock Exchange or any further or other 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;

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

Subsidiary means a company which is for the time being a subsidiary within the meaning of Section 1159 of the Companies Act 2006;

Successor means, in relation to the Principal Paying Agent, any other Paying Agent, the Registrar, the Calculation Agent and the Transfer Agents, 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 principal paying agent, paying agents, registrar, calculation agent and transfer 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, in each case 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) notice of whose appointment or, as the case may be, nomination has been given to the Noteholders;

successor in business means:

- (a) any company or other entity which, as a result of any transfer, amalgamation, merger or reconstruction (other than any amalgamation under Section 93 of the Act or transfer of all or substantially all (being 90% or more of the Issuer's engagements including its obligations under these presents and the Agency Agreement) of its engagements by the Issuer under Section 94 of the Act or any transfer of the whole of the Issuer's business to a company under Sections 97 to 102 of the Act), the terms of which have previously been approved in writing by the Trustee:
 - (i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto; and
 - (ii) carries on, as successor to the Issuer, the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto; or
- (b) a building society to which the Issuer has (on terms which have previously been approved by the Trustee in writing or by an Extraordinary Resolution) transferred part of its engagements under Section 94 of the Act, such part comprising less than substantially all (as described in paragraph (a) above) of its engagements;

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 Zero Coupon Notes), such talons being in the form or substantially in the form set out in Part 5 of Schedule 2 or in such other form as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 12;

Temporary Bearer Global Note means a temporary global note in the form or substantially in the form set out in Part 1 of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal 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 Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and these presents;

the Act means the Building Societies Act 1986 (as amended by The Building Societies Act 1997);

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;

Tranche means all Notes which are identical in all respects (including as to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system);

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

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 of Great Britain;

Zero Coupon Note means a Note on which no interest is payable:

words denoting the singular shall include the plural and *vice versa*;

words denoting one gender only shall include the other genders; and

words denoting persons only shall include firms and corporations and *vice versa*.

- 1.2
- (a) 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 relevant Issuer under these presents shall, unless the context otherwise requires, be construed in accordance with Condition 6(g).
 - (b) 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.
 - (c) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
 - (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)
 - (i) All references in these presents to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, (but not in the case of any NGN) be deemed to include references to any successor operator and/or successor clearing system and/or any additional or alternative clearing system as is approved by the Issuer, the Principal Paying Agent and the Trustee.
 - (ii) All references in these presents 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.
 - (iii) All references in these presents to **common depositary** or, as the case may be, **common safekeeper** shall, whenever the context so permits, be deemed to include references to any successor common depositary or, as the case may be, any successor common safekeeper or any additional or alternative common depositary, or as the case may be, any additional or alternative common safekeeper as is approved by the Issuer, the Principal Paying Agent 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 of Great Britain.
 - (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) In these presents tables of contents and Clause headings are included for ease of reference and shall not affect the construction of these presents.
- (i) For the purposes of these presents the Issuer shall not be deemed to have transferred substantially all of its engagements (being 90% or more of the Issuer's engagements including its obligations under these presents and the Agency Agreement) unless it has transferred assets and liabilities in equal proportions to their respective totals by value or a greater such proportion of its assets than its liabilities.

1.3 Words and expressions defined in these presents or the Agency Agreement 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 Agency Agreement and these presents, these presents shall prevail and, in the event of inconsistency between the Agency Agreement or these presents 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 All references in these presents to Notes being **listed** or **having a listing** shall, in relation to the London Stock Exchange, be construed to mean that such Notes have been admitted to the Official List by the Financial Conduct Authority and to trading on the London Stock Exchange's main market and all references to **having a listing** or **listed** shall include references to **quotation** and **quoted** respectively.

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 3.4 of the Programme 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 shall notify or cause the Trustee to be notified 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 Programme Agreement or the Agency Agreement, or (b) the Trustee has other proper grounds for such request) the Issuer will procure that a further legal opinion or further legal opinions in such form and with such content as the Trustee may properly require from the legal advisers specified in the Programme Agreement or such other legal advisers as the Trustee may properly 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 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, 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 and (except in the case of Zero Coupon Notes) shall (subject to the provisions of the Conditions) 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 Principal Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relative 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 Noteholders or Couponholders (as the case may be);
- (b) in the case of any payment of principal made to the Trustee or the Principal 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(m) 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 Principal 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 or, as the case may be, of the relevant Certificate (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(m) 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 or, as the case may be, Certificate, 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 17th day after notice is given to the relevant Noteholder(s) (whether individually or in accordance with Condition 15) 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 or, as the case may be, of the relevant Certificate being duly made, such payment is made.

The Trustee will hold the benefit of this covenant on trust for the Noteholders 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 8 to the relevant Noteholders and/or Couponholders, the Trustee may:

- (a) by notice in writing to the Issuer, the Principal Paying Agent, the Registrar, the Transfer Agents and any other Paying Agent require the Principal Paying Agent, the Registrar, the Transfer Agents and any such other Paying Agent pursuant to the Agency Agreement:
 - (i) to act thereafter as Principal Paying Agent, Registrar, Transfer Agents and other Paying Agent 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 Principal Paying Agent, the Registrar, the Transfer Agents and any other Paying Agent 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 the relative Coupons) and thereafter to hold all Notes, Certificates and Coupons and all sums, documents and records held by them in respect of Notes, Certificates and Coupons on behalf of the Trustee; or
 - (ii) to deliver up all Notes, Certificates and Coupons and all sums, documents and records held by them in respect of Notes, Certificates and Coupons, in each case held by them in their capacity as Principal Paying Agent or, as the case may be, Registrar, Transfer Agent 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 Principal Paying Agent, the Registrar or the relevant Transfer Agent or other Paying Agent is obliged not to release by any law or regulation; and
- (b) by notice in writing to the Issuer 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 Principal Paying Agent and, with effect from the issue of any such notice to the Issuer and until such notice is withdrawn, proviso (a) 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 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 5(c) 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 Noteholders 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 Noteholders or Couponholders to create and issue further Notes (whether in bearer or registered form) including, without limitation, Notes 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 4 to 19 (both inclusive), 21.2, 24 and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions **Notes**, **Noteholders**, **Coupons**, **Couponholders**, **Talons** and **Talonholders** shall be construed accordingly.

3. **FORM OF THE NOTES**

3.1 **Bearer Notes**

- (a) The Bearer Notes of each Tranche will initially be represented by either:
 - (i) a single Temporary Bearer Global Note which shall be exchangeable (as specified in the applicable Final Terms) for either Definitive Bearer Notes together with (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Bearer Global Note, in each case in accordance with the provisions of such Temporary Bearer Global Note. Each Permanent Bearer Global Note shall be exchangeable (as specified in the applicable Final Terms) 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 Bearer Global Note; or
 - (ii) a single Permanent Bearer Global Note which shall be exchangeable (as specified in the applicable Final Terms) 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 Bearer Global Note.

All Bearer Global Notes shall be prepared, completed and delivered to a common depository (in the case of a CGN) or a common safekeeper (in the case of a NGN) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or (in the case of a CGN) 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 Bearer Global Note shall be printed or typed in the form or substantially in the form set out in Part 1 of Schedule 2 and may be a facsimile. Each Temporary Bearer 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, shall be authenticated by or on behalf of the Principal 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 effectuation is to be applicable, be effectuated by the common safekeeper acting on the instructions of the Principal Paying Agent. Each Temporary Bearer Global Note so executed, authenticated and, where applicable, effectuated shall be a binding and valid obligation of the Issuer and title thereto shall pass by delivery.
- (c) Each Permanent Bearer Global Note shall be printed or typed in the form or substantially in the form set out in Part 2 of Schedule 2 and may be a facsimile. Each Permanent Bearer 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, shall be authenticated by or on behalf of the Principal 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 effectuation is to be applicable, be effectuated by the common safekeeper acting on the instructions of the Principal Paying Agent. Each Permanent Bearer Global Note so executed, authenticated and, where applicable, effectuated shall be a binding and valid obligation of the Issuer and title thereto shall pass by delivery.

3.2 **Registered Notes**

- (a) The Registered Notes of each Tranche will initially be represented either by Global Certificates which will be (a) if intended to be held under the NSS, deposited with a common safekeeper, or (b) if not intended to be held under the NSS, deposited with a common depositary for, and registered in the name of a nominee of such common depositary for, Euroclear and Clearstream, Luxembourg or by individual Certificates.
- (b) Registered Notes represented by Global Certificates shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the relevant Global Certificates and the Agency Agreement.
- (c) Each Global Certificate shall be printed or typed in the form or substantially in the form set out in Part 6 of Schedule 2 and may be a facsimile. Each Global Certificate 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. Each Global Certificate 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 in bearer form and shall be issued in the respective forms or substantially in the respective forms set out in Part 3, Part 4 and Part 5, and, respectively, of 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 or other relevant authority 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 or other relevant authority (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 the Certificates therefor shall be issued in the form or substantially in the form set out in Part 7 of Schedule 2 shall be serially numbered, shall be endorsed with a Form of Transfer and, if such Definitive Registered Notes are listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange or other relevant authority and the Conditions shall be incorporated by reference (where applicable to these presents) into such Certificates if permitted by the relevant Stock Exchange or other relevant authority (if any), or, if not so permitted, the Certificates shall be endorsed with or have attached thereto the Conditions, and, in either such case, the Certificates 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 Bearer Notes and the Certificates representing Definitive Registered 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 Principal Paying Agent (in the case of the Definitive Bearer Notes) or the Registrar (in the case of the Certificates). The Definitive Bearer Notes and Certificates 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 and no Certificate shall be binding or valid until such Definitive Bearer Note or, as the case may be, Certificate 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 or Certificate is duly authorised by the Issuer notwithstanding that at the time of issue of any of the Notes or Certificates he may have ceased for any reason to be so authorised.

3.5 Persons to be treated as Noteholders

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Trustee, the Principal Paying Agent, any other Paying Agent, the Registrar and the Transfer Agents (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may (a) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Note, Definitive Bearer Note, Coupon or Talon and the registered holder of any Certificate representing a Definitive Registered Note and (b) for the purpose of making payment thereon or on account thereof deem and treat the registered holder of any Global Certificate, as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer or, as the case may be, registered holder, and (c) for all other purposes deem and treat:

- (a) the bearer of any Definitive Bearer Note, Coupon or Talon and the registered holder of any Certificate representing a Definitive Registered Note; and
- (b) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg, or such other additional or alternative clearing system approved by the Issuer, the Principal Paying Agent and the Trustee, or, as the case may be, the registered holder of a Global Certificate as having a particular nominal amount of Notes credited to his securities account,

as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership or as to the identity of the bearer of any Bearer Global Note, Definitive Bearer Note, Coupon or Talon or of the registered holder of any Global Certificate or Certificate representing a Definitive Registered Note.

3.6 Certificates of Euroclear, Clearstream, Luxembourg etc.

The Trustee 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 a letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg or the registered holder of any relevant Global Certificate 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 or Global Certificate and if it does

so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

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 on or in connection with (a) the execution and delivery of these presents, (b) the constitution and original issue of the Notes and the Coupons and (c) any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Noteholder or Couponholder to enforce these presents 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 Noteholders 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 Noteholders and the Couponholders according to its and their respective interests.

6. CANCELLATION OF NOTES AND CERTIFICATES AND RECORDS

6.1 The Issuer shall procure that all Notes and, where applicable, Certificates issued by it which are (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 12 or (d) 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 12 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 Definitive Bearer Notes and Certificates;
- (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 Global Certificates 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 Definitive Bearer Notes and Certificates 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 Certificates and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers

of such Definitive Bearer Notes and Certificates 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, Certificates or Coupons or payment of interest on the Notes or exchange of the relative Talons respectively and of cancellation of the relative Notes, Certificates and Coupons.

- 6.2 The Issuer shall procure (a) that the Principal Paying Agent shall keep a full and complete record of all Notes, Certificates, Coupons and Talons issued by it (other than serial numbers of Coupons) and of their redemption or purchase by or on behalf of the Issuer or any Subsidiary of the Issuer and cancellation and of all replacement Notes, Certificates, Coupons or Talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes, Certificates, Coupons or Talons (b) that the Principal 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 Bearer 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. ENFORCEMENT

- 7.1 The provisions as to enforcement of the Notes and Coupons are set out in Condition 11.
- 7.2 Subject to Condition 11, at any time any Senior Preferred Notes shall have become immediately due and repayable, the Trustee may at its discretion and without further notice take such proceedings as it may think fit against the Issuer to enforce repayment thereof together with premium (if any) and accrued interest and any other moneys payable pursuant to this Trust Deed.
- 7.3 Subject to Condition 11, at any time any Subordinated Notes and Senior Non-Preferred Notes shall have become immediately due and repayable, the Trustee may at its discretion and without further notice take such proceedings as it may think fit against the Issuer to enforce repayment thereof together with premium (if any) and accrued interest and any other moneys payable pursuant to this Trust Deed.
- 7.4 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.

8. APPLICATION OF MONEYS

8.1 Ranking of Senior Non-Preferred Notes

- (a) On a winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), subject to the Ranking Legislation, the claims of the Trustee, the Noteholders and the Couponholders against the Issuer in respect of, or arising under, the Senior Non-Preferred Notes or the Coupons relating thereto (including, without limitation, any damages awarded for breach of the Issuer's obligations) will rank:
- (i) junior in right of payment to all Senior Claims;
 - (ii) *pari passu* with all other Senior Non-Preferred Claims;
 - (iii) in priority to all Subordinated Claims.
- (b) Any amount in respect of the Senior Non-Preferred Notes and the Coupons appertaining thereto received by the Trustee in the winding up of the Issuer shall be held by the Trustee upon trust to apply them (subject to Clause 8.3):
- (i) First, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to it) in carrying out its functions under this Trust;
 - (ii) Second, in payment *pari passu* of the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer, including, without limiting the generality of the foregoing:
 - (A) all claims in respect of the deposits (other than subordinated deposits) with or loans (other than subordinated loans) to the Issuer and all claims to interest thereon (including claims by persons who become holders of deposits pursuant to Section 100 of the Act) if the Issuer transfers its business to a successor pursuant to Section 97 of the Act;
 - (B) all claims in respect of unsubordinated obligations (including, without limitation, Senior Preferred Notes and other ordinary non-preferential debts under the Ranking Legislation) of the Issuer and all other obligations of the Issuer which are preferred by law to secondary non-preferential debts;
 - (C) (only in respect of a winding up commenced while the Issuer remains a building society), in payment of all claims of members holding shares (other than Deferred Shares) in the Issuer as regards the principal of their shares in the Issuer and any interest due in respect of those shares,but excluding all Senior Non-Preferred Claims and all Subordinated Claims;
 - (iii) third, in payment *pari passu* and rateably of all claims admitted in the winding up or dissolution of the Issuer which are claims in respect of Senior Non-Preferred Notes and any related Coupons; and
 - (iv) fourth, the balance (if any) to the liquidator for the time being of the Issuer.
- (c) The trusts mentioned in sub-Clauses 8.1(b)(ii) and (iv) may be performed by the Trustee paying over to the liquidator for the time being of the Issuer the amounts received by the Trustee aforesaid (less any amounts thereof applied in the implementation of the trusts mentioned in sub-Clause 8.1(b)(i)) on

terms that such liquidator shall distribute the same accordingly and in satisfaction pro tanto of the Issuer's liabilities in respect of amounts owing under this Trust Deed and the receipt of such liquidator for the same shall be a good discharge to the Trustee for the performance by it of the trusts mentioned in sub-Clauses 8.1(b)(ii) and (iv).

- (d) The Trustee shall be entitled and is hereby authorised to call for (and shall be entitled to accept as conclusive evidence thereof without further inquiry and without liability to any person) a certificate from the liquidator for the time being of the Issuer as to:
 - (i) The amounts of the claims of the depositors and other creditors and members of the Issuer referred to in sub-Clause 8.1(b) and as to whether they shall or shall not have been fully satisfied or otherwise fully provided for; and
 - (ii) The persons entitled thereto and their respective entitlements.
- (e) For the avoidance of doubt, nothing in this sub-Clause 8.1 shall affect any monies payable to the Trustee under Clause 13 in respect of which the Trustee's claim shall rank as a Senior Claim.
- (f) Notwithstanding anything contained in this sub-Clause 8.1, the trusts mentioned in sub-Clauses 8.1(b)(ii) to (iv) inclusive shall vest absolutely in the creditors of the Issuer for whose benefit such trust is to be performed not later than the date being 80 years from the date of this Trust Deed.

8.2 Subordination of Subordinated Notes and Declaration of Trust

- (a) Subject to the Ranking Legislation, on a winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), the claims of the Trustee, Noteholders and the Couponholders against the Issuer in respect of, or arising under, the Subordinated Notes or the Coupons relating to them (including, without limitation any damages awarded for breach of the Issuer's obligations) shall:
 - (i) be subordinated in right of payment in the manner provided in the Ranking Legislation and these presents to (I) all Senior Claims, (II) all Senior Non-Preferred Claims and (III) all Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Subordinated Notes;
 - (ii) rank at least *pari passu* with the claims of the holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, as at their respective issue dates, Tier 2 Capital; and
 - (iii) rank in priority to the claims of holders of any subordinated obligations whose claims rank or are expressed to rank junior in right of payment to the Subordinated Notes or the Coupons relating to them, as the case may be, and, for the avoidance of doubt, ahead of all claims in respect of any Deferred Shares in the Issuer.
- (b) Any amounts in respect of the Subordinated Notes and the Coupons appertaining thereto received by the Trustee in the winding up of the Issuer shall be held by the Trustee upon trust to apply them (subject to Clause 8.3):
 - (i) First, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to it) in carrying out its functions under this Trust Deed;

- (ii) Second, in payment of the claims of Senior Creditors of the Issuer in the winding up to the extent that such claims are admitted to proof in the winding up (not having been satisfied out of the other resources of the Issuer);
 - (iii) Third, in payment *pari passu* and rateably of the amounts owing on or in respect of the Subordinated Notes and the Coupons appertaining thereto; and
 - (iv) Fourth, the balance (if any) to the liquidator for the time being of the Issuer.
- (c) The trusts mentioned in sub-Clauses 8.2(b)(ii) and (iv) may be performed by the Trustee paying over to the liquidator for the time being of the Issuer the amounts received by the Trustee aforesaid (less any amounts thereof applied in the implementation of the trusts mentioned in sub-Clause 8.2(b)(i)) on terms that such liquidator shall distribute the same accordingly and in satisfaction pro tanto of the Issuer's liabilities in respect of amounts owing under this Trust Deed and the receipt of such liquidator for the same shall be a good discharge to the Trustee for the performance by it of the trusts mentioned in sub-Clauses 8.2(b)(ii) and (iv).
- (d) The Trustee shall be entitled and it is hereby authorised to call for (and shall be entitled to accept as conclusive evidence thereof without further inquiry and without liability to any person) a certificate from the liquidator for the time being of the Issuer as to:
 - (i) The amounts of the claims of Senior Creditors referred to in sub-Clause 8.2(a) and as to whether they shall or shall not have been satisfied or otherwise fully provided for; and
 - (ii) The persons entitled thereto and their respective entitlements,
- (e) For the avoidance of doubt, nothing in this sub-Clause 8.2 shall affect any monies payable to the Trustee under Clause 13 in respect of which the Trustee's claim shall rank as a Senior Claim.
- (f) Notwithstanding anything contained in this sub-Clause 8.2, the trusts mentioned in sub-Clauses 8.2(b)(ii) to (iv) inclusive shall vest absolutely in the creditors of the Issuer for whose benefit such trusts is to be performed not later than the date being 80 years from the date of this Trust Deed.

8.3 Declaration of Trust – Other Notes and Subordinated Notes Pre-Liquidation

All moneys received by the Trustee in respect of the Notes or amounts payable under this Trust Deed shall, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them (subject, in all cases, to this Clause 8.3 and, (i) in the case of the Senior Non-Preferred Notes, to the provisions of Clause 8.1 and (ii) in the case of the Subordinated Notes, to the provisions of Clause 8.2):

- (a) first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to it) in carrying out its functions under this Trust Deed;
- (b) second, in payment of any amounts owing in respect of the Notes or Coupons *pari passu* and rateably; and
- (c) third, in payment of any balance to the Issuer for itself.

If the Trustee holds any moneys in respect of Notes or Coupons that have become void or in respect of which claims have become prescribed, the Trustee shall hold them on these trusts.

8.4 Trustee's fees and expenses

Nothing in these presents shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under these presents or the rights and remedies of the Trustee in respect thereof.

9. NOTICE OF PAYMENTS

The Trustee shall give notice to the relevant Noteholders in accordance with Condition 15 of the day fixed for any payment to them under Clause 8. Such payment may be made in accordance with Condition 6 and any payment so made shall be a good discharge to the Trustee.

10. INVESTMENT BY TRUSTEE

- 10.1 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.
- 10.2 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. The Trustee is not responsible for any loss incurred by placing money on deposit and has no duty to obtain the best return.
- 10.3 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.
- 10.4 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 8. 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 13 and/or Clause 14(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.

11. PARTIAL PAYMENTS

Upon any payment under Clause 8 (other than payment in full against surrender of a Note, Certificate or Coupon) the Note, Certificate 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 (except in the case of a NGN) 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 and/or pre-funding and/or security being given as it shall think sufficient.

12. COVENANTS BY THE ISSUER

- 12.1 So long as any of the Notes remains outstanding (or, in the case of paragraphs (h), (i), (m), (n), (p) and (r), so long as any of the Notes or Coupons remains liable to prescription or, in the case of paragraph (o), until the expiry of a period of 30 days after the Relevant Date in respect of the payment of principal in respect of all such Notes remaining outstanding at such time) the Issuer covenants with the Trustee that it shall:
- (a) at all times carry on and conduct its affairs and procure its Subsidiaries, so long as they respectively carry on business, to carry on and conduct their respective affairs in a proper and efficient manner;
 - (b) so far as permitted by applicable law, give or procure to be given to the Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the Issuer of all such certificates called for by the Trustee pursuant to Clause 14(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;
 - (c) cause to be prepared and certified by the Auditors in respect of each financial year, accounts in such form as will comply with the requirements for the time being of the Act (so long as the same is applicable to the Issuer) and subject thereto with any undertaking which the Issuer has given to, and the requirements for the time being of, the relevant Stock Exchange;
 - (d) at all times keep and procure its Subsidiaries to keep proper books of account and, so far as permitted by applicable law, upon the occurrence of an Event of Default, Potential Event of Default or Loss Absorption Disqualification Event or if the Trustee considers that the same may be necessary for the proper discharge of its duties under these presents allow and procure its Subsidiaries to allow the Trustee and any person appointed by the Trustee to whom the Issuer or the relevant Subsidiary (as the case may be) shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours for the purpose of the discharge or exercise of its duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law Provided that nothing in this paragraph (d) shall oblige the Issuer to disclose confidential information concerning customers of the Issuer or any of its Subsidiaries or regarding any matters which are exempted from disclosure in the published accounts of the company concerned by reason of the provisions of the Companies Act 2006;
 - (e) send to the Trustee (in addition to 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 by or on behalf of the Issuer to its shareholders or members generally together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;
 - (f) forthwith, upon the Issuer becoming aware thereof, give notice in writing to the Trustee of the coming into existence of any security interest which would require any security to be given to any series of the Notes pursuant to Condition 4 or of the occurrence of any Event of Default, any Potential Event of Default or any Regulatory Event, Tax Event or Loss Absorption Disqualification Event;
 - (g) deliver to the Trustee (i) within 14 days after demand 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 period commencing with the financial period ended 31 December 2000 and in any event not later than 180 days after the end of each such financial period a certificate of the Issuer signed by two Directors of the Issuer to the effect that as at a date not more than seven days before delivering such certificate (the **relevant date**) there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default, any Potential Event of Default or any Regulatory Event, Tax Event or Loss Absorption Disqualification Event (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant 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;

- (h) so far as permitted by applicable law, at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to these presents;
- (i) at all times maintain Paying Agents, a Registrar, Transfer Agents and a Calculation Agent as may be required in accordance with the Conditions;
- (j) use all reasonable endeavours to procure the Principal 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 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;
- (k) in the event of the unconditional payment to the Principal Paying Agent of any sum due in respect of the Notes or any of them or any of the Coupons being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with Condition 15 that such payment has been made;
- (l) in the case of listed Notes, use all reasonable endeavours to maintain the listing of the Notes on the relevant Stock Exchange or, if it is unable to do so having used all reasonable endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly onerous, use all reasonable endeavours to obtain and maintain a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the prior approval of the Trustee) decide and shall also upon obtaining a quotation or listing of the 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 require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (m) give notice to the Noteholders in accordance with Condition 15 of any appointment, resignation or removal of any Paying Agent, Registrar, Transfer Agent or Calculation Agent (other than the appointment of the initial Paying Agents, Registrar and Transfer Agents) after having obtained the approval of the Trustee thereto or any change of any Paying Agent's, Registrar's or Transfer Agent's specified office and (except as provided by the Agency Agreement or the Conditions) at least 30 days prior to such event taking effect; 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 a Transfer Agent, 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 Principal Paying Agent, no such termination shall take effect until a new Registrar, Transfer Agent or Principal Paying Agent (as the case may be) has been appointed on terms approved by the Trustee;

- (n) send to the Trustee, not less than 10 days prior to which any such notice is to be given, the form of every notice to be given to the Noteholders in accordance with Condition 15 and obtain the prior written approval of the Trustee to, and promptly give to the Trustee two copies of, the final form of every notice given to the Noteholders in accordance with Condition 15 (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 a communication within the meaning of Section 21 of the FSMA;
- (o) if payments of principal or interest in respect of the Notes or the Coupons by the Issuer shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United Kingdom or any such political sub-division thereof or any such authority therein or thereof, promptly, but in any event no later than two business days after becoming aware thereof, notify the Trustee of such event and (unless the Trustee otherwise agrees) enter promptly 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 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(b) 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;
- (p) comply with and perform all its obligations under the Agency Agreement and the Calculation Agency Agreement and use all reasonable endeavours to procure that the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent comply with and perform all their respective obligations thereunder and (in the case of the Paying Agents) any notice given by the Trustee pursuant to Clause 2.3(a) and not make any amendment or modification to either of such Agreements without the prior written approval of the Trustee;
- (q) in order to enable the Trustee to ascertain the nominal amount of 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 forthwith upon being so requested in writing by the Trustee a certificate in writing signed by two Directors of the Issuer setting out the total number and aggregate nominal amount of Notes of each Series which:
 - (i) up to and including the date of such certificate have been purchased by the Issuer, any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of any such holding company and cancelled; and
 - (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer, any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of any such holding company;
- (r) procure its Subsidiaries to comply with all (if any) applicable provisions of Conditions 7(h) and 7(i);
- (s) use all reasonable endeavours to procure that each of the Paying Agents, the Registrar and the Transfer Agents makes available for inspection by Noteholders and Couponholders at its specified office copies of these presents, the Agency Agreement and copies of each balance sheet and profit and loss account sent to the Trustee pursuant to paragraph (e) above;

- (t) if, in accordance with the provisions of the Conditions, interest in respect of Bearer Notes denominated in U.S. dollars becomes payable at the specified office of any Paying Agent in the United States of America promptly give notice thereof to the Noteholders in accordance with Condition 15;
- (u) upon due surrender in accordance with the Conditions, pay the face value of all Coupons (including Coupons issued in exchange for Talons) appertaining to all Notes purchased by the Issuer or any Subsidiary of the Issuer;
- (v) give to the Trustee not later than 180 days after the last day of each annual financial period of the Issuer a certificate by the Auditors listing those Subsidiaries of the Issuer which as at such last day were Material Subsidiaries for the purposes of Condition 10;
- (w) give to the Trustee not later than 60 days after the last day of each half-yearly financial period of the Issuer a certificate of the Issuer signed by two Directors of the Issuer listing those Subsidiaries of the Issuer which as at such last day were Material Subsidiaries for the purposes of Condition 10;
- (x) use its 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 14(t) or otherwise as soon as reasonably practicable after such a request;
- (y) give to the Trustee, as soon as reasonably practicable after the acquisition or disposal of any company which thereby becomes or ceases to be a Material Subsidiary or after any transfer is made to any Subsidiary of the Issuer which thereby becomes a Material Subsidiary a certificate by the Auditors to such effect;
- (z) if requested by the Trustee, prior to making any modification or amendment or supplement to these presents (and in any event prior to or contemporaneously with any update of the Programme), procure the delivery of (a) legal opinion(s) as to English and any other relevant law, addressed to the Trustee, dated the date of such modification or amendment or supplement, as the case may be, and in a form acceptable to the Trustee from legal advisers acceptable to the Trustee;
- (aa) provide the Trustee with sufficient information so as to enable it to determine whether or not it is obliged, in respect of any payments to be made by it pursuant to these presents, to make any withholding or deduction pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (**FATCA Withholding Tax**);
- (bb) procure that no redemption, substitution or variation of Subordinated Notes or Senior Non-Preferred Notes at the option of the Issuer or for taxation reasons and no purchases of Subordinated Notes or Senior Non-Preferred Notes by the Issuer or any of its Subsidiaries in each case in accordance with Condition 7 will be made without first obtaining Regulatory Approval therefor (if and to the extent then required by the Supervisory Authority, the Capital Adequacy Regulations and/or the Loss Absorption Regulations);
- (cc) within ten Business Days of a written request by the Trustee, supply to the Trustee such forms, documentation and other information relating to it, its operations, or the Notes as the Trustee reasonably requests for the purposes of the Trustee's compliance with applicable law and shall notify the Trustee reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by the Issuer is (or becomes) inaccurate in any material respect.

12.2 The Issuer hereby represents and warrants to the Trustee that:

- (a) the issue of the Notes and the borrowing thereby constituted is within the powers of the Issuer and its Directors and the proceeds of the Notes will be used for the purposes of the Issuer;
- (b) the Issuer is authorised under Section 9 of and paragraph 6 of Schedule 20 to the Act; and
- (c) the issue and borrowing referred to in paragraph (a) above will not cause any limit placed on the powers of the Issuer and its Directors whether imposed by statute (including but not confined to any limits under Sections 7(3), 8(1), 20(2) and (3) and 21 of the Act), regulation, agreement, the Rules of the Issuer or otherwise to be exceeded.

13. REMUNERATION AND INDEMNIFICATION OF TRUSTEE

13.1 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 between the Issuer and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to Noteholders 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 Principal Paying Agent or the Trustee PROVIDED THAT if upon due presentation of any Note or Coupon or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue until payment to such Noteholder or Couponholder is duly made.

13.2 In the event of the occurrence of an Event of Default or a Potential Event of Default the Issuer hereby agrees that the Trustee shall be entitled to be paid additional remuneration, which may be calculated at its normal hourly rates in force from time to time. In any other case, if the Trustee considers it expedient or necessary or is requested by the Issuer to undertake duties which the Trustee and the Issuer agree 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.

13.3 The Issuer shall in addition pay to the Trustee an amount equal to the amount of any applicable value added tax against production of a valid invoice for VAT purposes or similar tax chargeable in respect of its remuneration under these presents.

13.4 In the event of the Trustee and the Issuer failing to agree:

- (a) (in a case to which subclause 13.1 above applies) upon the amount of the remuneration; or
- (b) (in a case to which subclause 13.2 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 a 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 person being payable by the Issuer) and the determination of any such person shall be final and binding upon the Trustee and the Issuer.

13.5 The Issuer shall also pay or discharge all Liabilities which the Trustee may incur 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.

- 13.6 All amounts payable pursuant to subclause 13.5 above and/or Clause 14(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 shall (if not paid within seven days after such demand and the Trustee so requires) carry interest at the rate of 2% per annum above the Base Rate from time to time of National Westminster Bank Plc 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 seven days after such demand and, in either case, the Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.
- 13.7 Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause and Clause 14(j) shall continue in full force and effect notwithstanding such discharge.
- 13.8 The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Notes any Liabilities incurred under these presents have been incurred or to allocate any such Liabilities between the Notes of any Series.
- 13.9 The Issuer hereby further undertakes to the Trustee that all monies payable by the Issuer to the Trustee under this clause 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.

14. 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 of Great Britain, 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 (whether addressed to the Trustee or not) obtained from any Auditor, 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 Liability occasioned by so acting whether or not 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 person in respect thereof.
- (b) Any such advice, opinion or information may be sent or obtained by letter, facsimile transmission or electronic mail and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, facsimile transmission or electronic mail 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 Directors of the Issuer and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability 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 Liability 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, any Potential Event of Default, any Regulatory Event, any Tax Event, any Loss Absorption Disqualification Event or any breach of the provisions 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, Potential Event of Default, Regulatory Event, Tax Event, Loss Absorption Disqualification Event, or breach of the provisions of these presents 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, the Noteholders and the Couponholders shall be conclusive and binding on the Noteholders and the Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise-and in particular the Trustee shall not be bound to act at the request or direction of the Noteholders or otherwise under any provision of these presents or to take at such request or direction or otherwise any other action under any provision of these presents, without prejudice to the generality of Condition 11, unless it shall first be indemnified and/or pre-funded and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing. When determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled to evaluate its risk in any given circumstance by considering the worst-case scenario and, for this purpose, it may take into account, without limitation, the potential costs of defending or commencing proceedings in the United Kingdom or elsewhere and the risk, however remote, of any award of damages against it in the United Kingdom or elsewhere.
- (h) The Trustee shall not be liable to any person by reason of having acted upon any Written Resolution or Electronic Consent or any other Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series in respect whereof minutes have been made and signed or any Extraordinary Resolution passed by way of electronic consents received through the relevant Clearing System(s) in accordance with these presents or any direction or request of the holders of Notes 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 a Written Resolution) that not all such holders had signed the Written Resolution or (in the case of an Electronic Consent) it was not approved by the requisite number of Noteholders or (in the case of an Extraordinary Resolution passed by electronic consents received through the relevant Clearing System(s)) it was not approved by the requisite number of Noteholders or (in the case of a direction or request) that it was not signed by the requisite number of Noteholders 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, Certificate 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 and/or pre-fund and/or secure the Trustee and every Appointee and keep it or him indemnified against all Liabilities 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 and in respect of any matter or thing done or omitted in any way relating to these presents or any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing).
- (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. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in these presents) if it is satisfied that the interests of the Noteholders will not be materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in the preceding sentence.
- (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 Noteholder 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 Noteholder 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 Noteholders and the Couponholders.
- (n) The Trustee as between itself and the Noteholders 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 Noteholders 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 or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders 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 Noteholder 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 Noteholders or Couponholders except to the extent already provided for in Condition 8 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 for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.
- (q) The Trustee may (after prior consultation with the Issuer where in the opinion of the Trustee it is practicable to do so) 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 Noteholders think fit. Provided that the Trustee shall have exercised reasonable care in the selection of any such delegate 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 Liability 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 (after prior consultation with the Issuer where in the opinion of the Trustee it is practicable to do so) 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. Provided that the Trustee shall have exercised reasonable care in selecting any such agent the Trustee shall not be in any way responsible for any Liability 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 by Euroclear or Clearstream, Luxembourg as to (i) the nominal amount of Notes represented by a Global Note standing to the account of any person and/or (ii) the nominal amount of Notes represented by a NGN. 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 EasyWay or Clearstream, Luxembourg's Xact Web Portal system) in accordance with its usual procedures and, in the case of (i) above, in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted

as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

- (u) The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Notes of any Series or for checking or commenting upon the content of any such legal opinion.
- (v) The Trustee shall not be concerned, and need not enquire, as to whether or not any Notes are issued in breach of the Programme Limit.
- (w) The Trustee may certify whether or not any of the conditions, events and acts set out in Condition 10(a) (other than subparagraphs (i) and (v)(2) thereof) (each of which conditions, events and acts shall, unless in any case the Trustee in its absolute discretion shall otherwise determine, for all the purposes of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders and the Couponholders.
- (x) No provision of these presents shall require the Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation; or (ii) cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or pre-funding and/or security against such risk or liability is not assured to it.
- (y) Until it shall have actual knowledge or express notice pursuant to these presents to the contrary, the Trustee shall be entitled to assume that none of the Issuer or any Subsidiary or holding company of the Issuer beneficially owns any of the Notes.
- (z) The Trustee assumes no responsibility for the correctness of Recital (1) to this Trust Deed, which shall be taken as statements by the Issuer, nor shall the Trustee by the execution of these presents be deemed to make any representation as to the validity, sufficiency or enforceability of these presents, the Notes, the Coupons or the Agency Agreement or any part of any of them.
- (aa) The Trustee may act, or not act, and rely on (and shall have no liability to Noteholders or Couponholders for doing so) certificates or reports provided by the Auditors or any other person whether or not addressed to the Trustee and whether or not any such report or any engagement letter or other document entered into by the Trustee and the Auditors or such other person in connection therewith contracts any limit on the liability of the Auditors or other such person.
- (bb) 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. Provided that the Trustee shall have exercised reasonable care in selecting any such custodian or nominee, 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.

- (cc) The Trustee shall be entitled to deduct FATCA Withholding Tax, and shall have no obligation to gross-up any payment hereunder or to pay any additional amount as a result of such FATCA Withholding Tax.
- (dd) 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.
- (ee) Subject to the requirements, if any, of the Stock Exchange, any corporation into which the Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Trustee under these presents without executing or filing any paper or document or any further act on the part of the parties thereto.
- (ff) The Trustee shall not be bound to take any action in connection with these presents or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that it will be indemnified against all Liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it and on such demand being made the Issuer shall be obliged to make payment of all such sums in full.
- (gg) The Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of these presents.
- (hh) For the purposes of determining whether or not the exercise by the Trustee of any of its trusts, powers, authorities, duties and discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution) is materially prejudicial to the interests of the Noteholders the Trustee shall be entitled to rely on (but shall not be bound by) any confirmation from any rating agency that such exercise would not adversely affect the rating of the Notes.
- (ii) In no event shall the Trustee be liable for any Liabilities arising from the Trustee receiving or transmitting any data to the Issuer or any Paying Agent or the Registrar or the Transfer Agent or any Noteholder or Couponholder (or any authorised person on their behalf) or acting upon any notice, instruction or other communications via any Electronic Means. The Trustee has no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give instructions or directions on behalf of the Issuer or any Paying Agent or the Registrar or the Transfer Agent or any Noteholder or Couponholder (or any authorised person on their behalf). The Issuer agrees that the security procedures, if any, to be followed in connection with a transmission of any such notice, instructions or other communications, provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

15. TRUSTEE'S LIABILITY

- 15.1 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 negligence, wilful misconduct or fraud of which it may be guilty in relation to its duties under these presents.

15.2 Notwithstanding any provision of these presents to the contrary, the Trustee shall not in any event be liable for:

- (a) loss of profit, loss of business, loss of goodwill, loss of opportunity, whether direct or indirect; and
- (b) special, indirect, punitive or consequential loss or damage of any kind whatsoever,

whether or not foreseeable, whether or not the Trustee can reasonably be regarded as having assumed responsibility at the time this Trust Deed is entered into, even if the Trustee has been advised of the likelihood of such loss or damage, unless the claim for loss or damage is made in respect of fraud on the part of the Trustee.

16. 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 Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any Liability occasioned to the Noteholders 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 Noteholders 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.

17. WAIVER, AUTHORISATION AND DETERMINATION

17.1 Waiver and Authorisation

The Trustee may without the consent or sanction of the Noteholders 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 Noteholders 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 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 Noteholders and the Couponholders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17.2 Modification

- (a) The Trustee may without the consent or sanction of the Noteholders 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 Noteholders 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 to comply with mandatory provisions of applicable law. Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine.
- (b) 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 Condition 5(f) as the case may be, without the requirement for the consent or sanction of the Noteholders or Couponholders.
- (c) The Trustee shall also be obliged to concur with the Issuer in effecting any substitution or variation of the Senior Non-Preferred Notes as set out in (and subject to the terms of) Conditions 7(k) and 7(l) without the consent of the Noteholders or Couponholders.
- (d) Any modification undertaken in relation to any Series of Senior Non-Preferred Notes or Subordinated Notes shall comply with the requirements of Condition 16(iii).
- (e) Any modification made pursuant to this Clause 17.2 shall be binding upon the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17.3 Breach

Any breach of or failure by the Issuer to comply with any such terms and conditions as are referred to in subclauses 17.1 and 17.2 of this Clause 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.

18. 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 of a Definitive Bearer Note is the holder of all Coupons appertaining to each Definitive Bearer Note of which he is the holder.

19. NO NOTICE TO COUPONHOLDERS

Neither the Trustee nor the Issuer shall be required to give any notice to the 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 Noteholders in accordance with Condition 15.

20. CURRENCY INDEMNITY

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

- (a) any Liability 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 indemnity shall constitute an obligation of the Issuer separate and independent from its other obligations under the other provisions of these presents and shall apply irrespective of any indulgence granted by the Trustee, the Noteholders 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 Noteholders and the Couponholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

21. NEW TRUSTEE

- 21.1 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 Principal Paying Agent, the Registrar and the Noteholders.

21.2 Separate and Co-Trustees

Notwithstanding the provisions of subclause 21.1 above, the Trustee may, upon giving prior notice to the Issuer but without the consent of the Issuer, the Noteholders 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:

- (a) if the Trustee considers such appointment to be in the interests of the Noteholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the Issuer.

The Issuer irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of these presents be treated as Liabilities incurred by the Trustee.

22. TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Noteholders shall have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being of these presents. The Issuer undertakes that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution it will use all reasonable endeavours to procure that a new trustee of these presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such a new trustee has become effective within three months of the date of such notice or Extraordinary Resolution, the Trustee shall be entitled to appoint a Trust Corporation as trustee of these presents, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

23. TRUSTEE'S POWERS TO BE ADDITIONAL

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

24. SUBSTITUTION

- 24.1 If the Issuer shall amalgamate with one or more other building societies under Section 93 of the Act or transfer all or substantially all (being 90% or more of the Issuer's engagements including its obligations under these presents and the Agency Agreement) of its engagements to another building society under Section 94 of the Act or transfer its business to a successor in accordance with Sections 97 to 102D of the Act, the successor will, pursuant to such provisions but subject to the proviso below,

automatically be substituted in place of the Issuer as principal debtor under these presents without any prior approval thereof being required from the Noteholders, the Couponholders or the Trustee and references to **the Issuer** shall be construed accordingly, provided that (in the case of Subordinated Notes and Senior Non-Preferred Notes in the case of a proposed transfer in accordance with section 97 of the Act and other such applicable provisions):

- (a) either (A) the Issuer satisfies the Trustee that the successor will be or (as the case may be) remains an authorised institution under the FSMA (or any statutory modification or re-enactment thereof) or (B) such transfer is approved by an Extraordinary Resolution of the Noteholders;
- (b) in connection with such transfer, any variation or supplement to the Conditions must be limited to dealing with matters arising out of the procedure by which the transfer takes place and the constitution of the transferee and must not vary or supplement the Conditions in a manner which would or might cause any of the financial resources derived by the Issuer from the issue of the Notes to which this Trust Deed relates and which comprise Tier 2 Capital to be excluded from the financial resources considered appropriate by the Supervisory Authority for the purposes of paragraph 4(1) of Schedule 6 of the FSMA;
- (c) the Issuer shall provide the Trustee with a certificate signed by two Directors confirming that the preconditions referred to in subclauses (a) and (b) above have been satisfied and, immediately following any such substitution, would remain satisfied. The Trustee shall be fully entitled to accept and rely upon any such certificate without liability to any person and where the Trustee chooses to accept any such certificate it will be conclusive and binding on all interested parties (including the Noteholders and Couponholders);
- (d) any such variation or supplement to the Conditions referred to in subclause (b) above shall be effected (at the expense of the Issuer) by the execution of a trust deed supplemental to this Trust Deed and shall bind any successor as fully as if the successor had been named in this Trust Deed as principal debtor in place of the Issuer. A memorandum of any such supplemental trust deed shall be endorsed by the Trustee on this Trust Deed and by the Issuer on the duplicate of this Trust Deed. Without prejudice to the foregoing, the Trustee shall have no obligation to enter into any such trust deed where, in the Trustee's sole opinion, it would incur additional obligations or its rights or protections would be in any way reduced; and
- (e) no variation or supplement to the terms of this Trust Deed or of the Conditions shall be made which would or might cause:
 - (A) any qualifying own funds or capital resources of the Issuer for the purposes of the Capital Adequacy Regulations prevailing at that time to be excluded from such own funds or capital resources; or
 - (B) any liabilities of the Issuer which, for the purposes of the Loss Absorption Regulations prevailing at that time, qualify towards the Issuer's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments to be excluded from such minimum requirements for own funds and eligible liabilities and/or loss absorbing instruments.

- 24.2 (a) Without prejudice to subclause 24.1 above, the Trustee may without the consent of the Noteholders or the Couponholders at any time agree with the Issuer to the transfer of the Issuer's business to a subsidiary of another mutual society pursuant to The Building Societies (Funding) and Mutual Societies (Transfers) Act 2007 or the substitution in place of the Issuer (or of the previous substitute under this Clause) as the principal debtor under these presents of either a successor in business to the Issuer or a Subsidiary of the Issuer (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, where the New Company is a Subsidiary of the Issuer, the Issuer unconditionally and irrevocably guarantees all amounts payable under these presents.

(b) The following further conditions shall apply to (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 Noteholders;
- (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 thereof 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 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(b) 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 Noteholders; and
- (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.

24.3 Any such trust deed or undertaking shall, if so expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under these presents. 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 Noteholders in the manner provided in Condition 15. 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 place of the previous substitute under this Clause) under these presents and these presents shall be deemed to be amended 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, where the context so requires, be deemed to be or include references to the New Company. In the case of Notes listed on the London Stock Exchange, in the event of a substitution in accordance with this Clause 24, a new prospectus will, if so required, be prepared in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended, or such other prospectus rules as may then be applicable.

24.4 In the case of any Series of Senior Non-Preferred Notes or Subordinated Notes, in connection with any proposed substitution of the Issuer pursuant to this Clause 24, the powers of the Trustee to concur with the Issuer in any such substitution shall only be exercised by the Trustee subject to the Issuer, to the extent required by the Supervisory Authority, having obtained such Regulatory Approval therefor

as may then be required and otherwise complying with the Capital Adequacy Regulations and/or Loss Absorption Regulations (as applicable) at such time. The Trustee may rely without enquiry and liability to any person on any written confirmation provided to it by the Issuer in relation to the Issuer obtaining such Regulatory Approval and any compliance by the Issuer with the Capital Adequacy Regulations and/or Loss Absorption Regulations.

25. NOTICES

Any notice or demand to the Issuer or the Trustee required to be given, made or served for any purposes under these presents shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), email correspondence (in the case of notices to the Issuer only) or facsimile transmission or by delivering it by hand as follows:

to the Issuer: The Bailey
Skipton
North Yorkshire
BD23 1DN

(Attention: Group Treasurer)
Email: treasurylegalnotices@skipton.co.uk

to the Trustee: The Bank of New York Mellon, London Branch
Corporate Trust
160 Queen Victoria Street
London
EC4V 4LA

(Attention: Trustee Administration Manager)
Facsimile No: +44 207 964 4637
Email: corpsov4@bnymellon.com

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 shall be deemed to have been given, made or served 48 hours in the case of inland post or five days in the case of overseas post after despatch, any notice or demand sent by email (in the case of notices to the Issuer only) shall be deemed to have been made at the time of despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch provided that in the case of a notice or demand given by email, confirmation of receipt is received by the sending party and such notice or demand shall forthwith be confirmed by post and that in the case of a notice or demand given by facsimile transmission such notice or demand shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by email or facsimile transmission.¹

26. GOVERNING LAW AND SUBMISSION TO JURISDICTION

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

The Issuer irrevocably agrees for the benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with these presents (including a dispute relating to any non-contractual obligations

¹ Note to LL: fax not removed as BNYM require this retained.

arising out of or in connection with these presents) and accordingly submits to the exclusive jurisdiction of the English courts. The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with these presents (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with these presents) (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

28. COUNTERPARTS

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

29. SANCTIONS

- 29.1 The Issuer covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any Sanctions.
- 29.2 The Issuer covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers will use any payments made pursuant to these presents, (i) to fund or facilitate any prohibited activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any prohibited activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person and as if those Sanctions applied to the Issuer.
- 29.3 Clauses 29.1 and 29.2 shall not apply if and to the extent that they are or would be or would result in a violation of (i) any provision of Council Regulation (EC) No 2271/96 of 22 November 1996 (the **EU Blocking Regulation**) or any law or regulation implementing the EU Blocking Regulation in any member state of the European Economic Area, (ii) Council Regulation (EC) No 2271/96 of 22 November 1996 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Blocking Regulation**) or (iii) any similar blocking or anti-boycott law elsewhere. However, if the aforementioned EU Blocking Regulation and the UK Blocking Regulation purport to make compliance with any portion of this Clause unenforceable, the Issuer will refrain from taking any measures which violate Sanctions applicable thereto.

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

This Note is one of a Series (as defined below) of Notes constituted by a Trust Deed dated 7 December 2000 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) and made between Skipton Building Society (the “Issuer” or the “Society”) and The Bank of New York Mellon, London Branch (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the time being for the Noteholders (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note in bearer form (a “Bearer Global Note”) or a global Certificate (a “Global Certificate”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note or Global Certificate;
- (iii) any definitive Notes in bearer form (“Bearer Notes”) issued in exchange for a Bearer Global Note; and
- (iv) any definitive Notes in registered form (“Registered Notes”) (whether or not issued in exchange for a Global Certificate).

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement dated 15 December 2023 (such Agency Agreement as amended and/ or supplemented and/or restated from time to time, the “Agency Agreement”) and made between the Issuer, The Bank of New York Mellon, London Branch as issuing and principal paying agent and agent bank (the “Principal Paying Agent”, which expression shall include any successor principal paying agent), the other paying agents named therein (together with the Principal Paying Agent, unless the context otherwise requires, the “Paying Agents”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “Registrar”, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, unless the context otherwise requires, the “Transfer Agents”, which expression shall include any additional or successor transfer agents) and the Trustee.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and supplement these Terms and Conditions (these “Conditions”, and references herein to a numbered “Condition” shall be construed accordingly). References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing Bearer Notes have interest coupons (“Coupons”) and, in the case of Bearer Notes which have more than 27 interest payments remaining, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the holders for the time being, of the Notes (the “Noteholders” or “holders”, which expressions shall mean (in the case of definitive Bearer Notes) the bearers of the Notes and (in the case of definitive Registered Notes) the persons in whose name the Certificates are registered and shall, in relation to any Notes represented by a Global Note or a Global Certificate, be construed as provided below). Any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed, the Agency Agreement and the applicable Final Terms for this Note (i) are available for inspection by prior appointment during normal business hours at the principal London office for the time being of the Trustee (being, at 15 December 2023, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “Agents”) or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or the Principal Paying Agent, in any such case upon provision of proof of a holding of a Note and identity (in a form satisfactory to the Trustee or the relevant Agent, as the case may be). If the Notes are to be admitted to trading on the main market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders 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 applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

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

In these Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1 Form, Denomination and Title

This Note is issued either (i) in bearer form or; (ii) in registered form, as specified in the applicable Final Terms. This Note is issued in the currency (the “Specified Currency”) specified in the applicable Final Terms. If this Note is a Bearer Note, it will be issued in the denominations (the “Specified Denomination(s)”) specified in the applicable Final Terms. If this Note is a Registered Note, it will be issued in multiples of the Specified Denomination(s) specified in the applicable Final Terms.

This Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note as shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. Definitive Notes will be serially numbered.

Definitive Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(a) (*Transfer of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing on it (or on the Certificate representing it) or notice of any previous loss or theft (or on such Certificate)) for all purposes and no person shall be liable for so treating such holder, but, in the case of any Global Note or Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note or a Global Certificate held on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the relevant Global Certificate shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note or, as the case may be, the relevant Global Certificate and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Notes which are represented by a Global Note or a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2 Transfers of Registered Notes

(a) Transfer of Registered Notes

Subject as provided in Conditions 2(e) (*Closed Periods*) and (f) (*Regulations*), Registered Notes may be transferred in whole or in part in a multiple of a Specified Denomination upon the surrender (at the specified office of the Registrar or any transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(b) Exercise of Options or Partial Redemption in respect of Registered Notes

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a) (*Transfer of Registered Notes*) or 2(b) (*Exercise of Options or Partial Redemption in respect of Registered Notes*) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Put Notice (as defined in Condition 7(e) (*Redemption and Purchase - Redemption at the Option of the Noteholders (Senior Preferred Notes and Senior Non-Preferred Notes Only) (Investor Put)*)) or surrender of the Certificate for exchange.

Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Put Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c) (*Delivery of New Certificates*), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require).

(e) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

(f) *Regulations*

All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available free of charge by the Registrar to any holder of a Registered Note upon request.

3 Status of the Notes

(a) *Status of Senior Preferred Notes*

This Condition 3(a) shall apply if this Note is a Senior Preferred Note, as specified in the applicable Final Terms, and references in this Condition to Notes shall be construed accordingly.

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge (Senior Preferred Notes only)*)) unsecured obligations of the Issuer and (subject to the Ranking Legislation and to the provisions of Condition 4 (*Negative Pledge (Senior Preferred Notes only)*)) constitute ordinary non-preferential debts for the purposes of the Ranking Legislation. The Notes and the Coupons relating to them rank and will rank *pari passu* and without any preference among themselves.

The Issuer and, by virtue of its holding of any Note or any Coupon relating to a Note (or, in each case, any beneficial interest therein), each holder of a Note or a Coupon relating to a Note acknowledges and agrees that (subject to the Ranking Legislation and to the provisions of Condition 4 (*Negative Pledge (Senior Preferred Notes only)*)) the Notes and any such Coupons rank *pari passu* with all other outstanding unsecured and unsubordinated obligations in respect of deposits with, and loans to, the Issuer, present and future (other than (i) Senior Non-Preferred Notes and other obligations which rank or are expressed to rank junior to the Senior Preferred Notes and (ii) such deposits with, and loans to, the Issuer which are given priority pursuant to applicable statutory provisions).

(b) *Status and Ranking of Senior Non-Preferred Notes; No set-off, etc.*

This Condition 3(b) shall apply if this Note is a Senior Non-Preferred Note, as specified in the applicable Final Terms, and references in this Condition to Notes shall be construed accordingly.

The Senior Non-Preferred Notes may only be issued on terms such that they (A) have an original contractual maturity of at least one year and (B) are not derivatives and contain no embedded derivatives for the purposes of Section 387A(3)(b)(ii) of the Insolvency Act 1986, as amended (and any other applicable provision of any Ranking Legislation).

(i) *Status and Ranking*

The Notes and the Coupons relating to them are direct and unsecured obligations of the Issuer and, subject to the Ranking Legislation, constitute secondary non-preferential debts for the purposes of the Ranking Legislation. Subject to the Ranking Legislation, the Notes and the Coupons relating to them rank junior to the Senior Preferred Notes and any Coupons relating to them, and rank *pari passu* without any preference among themselves.

The Issuer and, by virtue of its holding of any Note or any Coupon relating to a Note (or, in each case, any beneficial interest therein), each holder of a Note or a Coupon relating to a Note acknowledges and agrees that, subject to the Ranking Legislation, the claims of the Trustee, the Noteholders and the Couponholders against the Issuer in respect of, or arising under, the Notes or the Coupons relating thereto (including, without limitation, any damages awarded for breach of the Issuer's obligations in respect thereof) will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), rank:

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

(ii) *No Set-off, etc.*

Subject to applicable law, no holder of a Note or a Coupon relating to a Note (or, in each case, any beneficial interest therein) may exercise or claim or plead any right of set-off (including, without limitation, compensation or retention), counterclaim or netting in respect of any amount owed to it by the Issuer arising under or in connection with any such Note or any Coupon relating to a Note and each Noteholder and Couponholder shall, by virtue of being the holder of (or holder of any beneficial interest in) any such Note or Coupon, be deemed to have waived all such rights of set-off (including, without limitation, compensation or retention), counterclaim or netting, both before and during any winding up, liquidation or administration of the Issuer.

Notwithstanding the provisions of the foregoing sentence, if any amounts owed to any holder of a Note or a Coupon relating to a Note by the Issuer arising under or in connection with any such Note or Coupon relating to a Note is discharged by set-off (including, without limitation, compensation or retention), counterclaim or netting, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of the winding up or administration of the Issuer, the liquidator, trustee or (as the case may be) administrator or other insolvency official of the Issuer (and until such payment is made shall hold an amount equal thereto on trust for the Issuer or, as the case may be, the liquidator, trustee, administrator or other insolvency official) and accordingly such discharge will be deemed not to have taken place.

N.B. Attention is drawn to "Certain Provisions of the Building Societies Act 1986 and the Supervisory Authority" elsewhere in this Base Prospectus.

(c) *Status of Subordinated Notes; No set-off, etc.*

This Condition 3(c) shall apply if this Note is a Subordinated Note, as specified in the applicable Final Terms, and references in this Condition to Notes shall be construed accordingly.

(i) *Status and Ranking*

The Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of the Issuer and, subject to the Ranking Legislation, constitute tertiary non-preferential debts for the purposes of the Ranking Legislation. Subject to the Ranking Legislation, the Notes and any Coupons relating thereto rank junior to the Senior Preferred Notes, the Senior Non-Preferred Notes and (in each case) any Coupons relating thereto. The Notes and the Coupons relating to them rank and will rank *pari passu* without any preference among themselves.

The Issuer and, by virtue of its holding of any Note or any Coupon relating to a Note (or, in each case, any beneficial interest therein), each holder of a Note or a Coupon relating to a Note acknowledges and agrees that, subject to the Ranking Legislation, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), the claims of the Trustee, the Noteholders and the Couponholders against the Issuer in respect of, or arising under, the Notes or the Coupons relating to them (including, without limitation, any damages awarded for breach of the Issuer's obligations in respect thereof) will:

- (A) be subordinated in right of payment in the manner provided in the Ranking Legislation and the Trust Deed to (i) all Senior Claims, (ii) all Senior Non-Preferred Claims and (iii) all Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Notes;
- (B) rank at least *pari passu* with the claims of the holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, as at their respective issue dates, Tier 2 Capital; and
- (C) rank in priority to the claims of holders of any subordinated obligations whose claims rank or are expressed to rank junior in right of payment to the Notes or the Coupons relating to them, as the case may be, and, for the avoidance of doubt, ahead of all claims in respect of any Deferred Shares (as defined below) in the Issuer.

(ii) *No Set-off, etc.*

Subject to applicable law, no holder of a Note or a Coupon relating to a Note (or, in each case, any beneficial interest therein) may exercise or claim or plead any right of set-off (including, without limitation, compensation or retention), counterclaim or netting in respect of any amount owed to it by the Issuer arising under or in connection with any such Note or any Coupon relating to a Note and each Noteholder and Couponholder shall, by virtue of being the holder of (or holder of any beneficial interest in) any such Note or Coupon, be deemed to have waived all such rights of set-off (including, without limitation, compensation or retention), counterclaim or netting, both before and during any winding up, liquidation or administration of the Issuer.

Notwithstanding the provisions of the foregoing sentence, if any amounts owed to any holder of a Note or a Coupon relating to a Note by the Issuer arising under or in connection with any such Note or Coupon relating to a Note is discharged by set-off (including, without limitation, compensation or retention), counterclaim or netting, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of the winding up or administration of the Issuer, the liquidator, trustee or (as the case may be) administrator or other insolvency official of the Issuer (and until such payment is made shall

hold an amount equal thereto on trust for the Issuer or, as the case may be, the liquidator, trustee, administrator or other insolvency official) and accordingly such discharge will be deemed not to have taken place.

N.B. Attention is drawn to “Certain Provisions of the Building Societies Act 1986 and the Supervisory Authority” elsewhere in this Base Prospectus.

(d) *Definitions*

As used in these Conditions:

“Act” means the Building Societies Act 1986 (as amended) (including, where applicable, any statutory modification thereof or re-enactment thereof or any statutory instrument, order or regulations made thereunder or under any such statutory modification or re-enactment);

“Additional Tier 1 Capital”, “CET1 Capital” and “Tier 2 Capital” have the meanings given to them (or any successor terms) in the Capital Adequacy Regulations (as defined in Condition 7(n) (*Redemption and Purchase - Definitions*));

“Deferred Shares” means deferred shares within the meaning of the Act;

“Excluded Dissolution” means each of (i) a winding up or dissolution of the Issuer for the purpose of a reconstruction or amalgamation, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) or the substitution in place of the Issuer or a Successor in Business (as defined in the Trust Deed) effected in accordance with the provisions of Condition 17 (*Substitution*) and Clause 24 of the Trust Deed, and (ii) a dissolution of the Issuer following, or in connection with, a Permitted Transfer (as defined in Condition 10(a) (*Senior Preferred Notes*)) where the successor entity is substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons;

“Order” means The Banks and Building Societies (Priorities on Insolvency) Order 2018, as the same may be amended, supplemented or replaced from time to time;

“ordinary non-preferential debts”, “secondary non-preferential debts” and “tertiary non-preferential debts” have the respective meanings given thereto in section 387A(3) of the Insolvency Act 1986, as amended (or, as the case may be, in the relevant section of any other Ranking Legislation);

“Ranking Legislation” means the Insolvency Act 1986, as amended (including by the Order) and any other law or regulation applicable to the Issuer which is amended by the Order;

“Senior Claims” means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer including, without limiting the generality of the foregoing, (i) all claims in respect of deposits (other than subordinated deposits) with or loans (other than subordinated loans) to the Issuer and all claims to interest thereon (including claims by persons who become holders of deposits pursuant to Section 100 of the Act if the Issuer transfers its business to a successor pursuant to Section 97 of the Act); (ii) all claims in respect of unsubordinated obligations (including, without limitation, Senior Preferred Notes and other ordinary non-preferential debts under the Ranking Legislation) of the Issuer and all other obligations of the Issuer which are preferred by law to secondary non-preferential debts; and (iii) (only in respect of a winding up while the Issuer remains a building society) all claims of members holding shares (other than Deferred Shares) in the Issuer as regards the principal of their shares in the Issuer and any interest due in respect of those shares, but excluding all Senior Non-Preferred Claims and all Subordinated Claims;

“Senior Non-Preferred Claims” means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims of creditors in respect of secondary non-preferential debts of the Issuer (including, without limitation, Senior Non-Preferred Notes); and

“Subordinated Claims” means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which rank, or are expressed to rank, junior to claims in respect of the Senior Non-Preferred Notes or other Senior Non-Preferred Claims, including (without limitation) (i) claims of creditors in respect of the Subordinated Notes, (ii) the obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital, Additional Tier 1 Capital or CET1 Capital and (iii) all other claims in respect of tertiary non-preferential debts under the Ranking Legislation, including, for the avoidance of doubt, all claims in respect of Deferred Shares.

4 Negative Pledge (Senior Preferred Notes only)

This Condition 4 applies only if this Note is a Senior Preferred Note, and references in this Condition to Notes shall be construed accordingly.

So long as any of the Notes and any relative Coupons remain outstanding (as defined in the Trust Deed), the Issuer will neither create nor have outstanding any mortgage, lien (other than a lien arising by operation of law), pledge, charge or other security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Loan Stock or any guarantee of or indemnity in respect of any Loan Stock without at the same time or prior thereto securing the Notes and the Coupons equally and rateably therewith to the satisfaction of the Trustee or providing such other security or other arrangements for the Notes and any relative Coupons as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or which shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

As used in this Condition:

“Covered Bonds” means bonds, notes or other securities (however defined) designated by the Issuer as covered bonds and secured on a segregated pool of assets; and

“Loan Stock” means indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (other than Covered Bonds) which for the time being are, or are intended to be, or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other established securities market (whether or not initially distributed by way of private placing), but excluding any such indebtedness which has a stated maturity not exceeding one year.

5 Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to (but excluding) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note or Global Certificate held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount.

If the Notes are in definitive form, except as provided in the applicable 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. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note or Global Certificate held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes; 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 (as defined in Condition 5(e) (*Interest – Day Count Fractions*)) below.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

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

If no Day Count Fraction for Fixed Rate Notes is specified in the applicable Final Terms then the Day Count Fraction for such Notes shall be “30/360” for Notes denominated in United States dollars and “Actual/Actual (ICMA)” for all other Notes.

In these Terms and Conditions:

“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.

(b) *Interest on Reset Notes*

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

Each Reset Note bears interest on its outstanding principal amount:

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

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

Each Reset Rate of Interest and the corresponding amount of interest (the “Interest Amount”) payable shall be determined by the Calculation Agent, (A) in the case of the Reset Rate of Interest, at or as soon as practicable after each time at which the Reset Rate of Interest is to

be determined, and (B) in the case of the Interest Amount, in accordance with the provisions for calculating amounts of interest in Condition 5(a) (*Interest on Fixed Rate Notes*) and, for such purposes, references in the fourth paragraph of Condition 5(a) (*Interest on Fixed Rate Notes*) to “Fixed Rate Notes” shall be deemed to be to “Reset Notes” and Condition 5(a) (*Interest on Fixed Rate Notes*) shall be construed accordingly.

In this Condition 5(b):

“CMT Rate” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate determined by the Calculation Agent, and expressed as a percentage, equal to:

- (i) the yield for United States Treasury Securities at “constant maturity” for the CMT Designated Maturity, as published in the H.15 under the caption “treasury constant maturities (nominal)”, as that yield is displayed on the CMT Rate Screen Page on such Reset Determination Date; or
- (ii) if the yield referred to in paragraph (i) above is not published by 4:00 p.m. (New York City time) on the CMT Rate Screen Page on such Reset Determination Date, the yield for United States Treasury Securities at “constant maturity” for the CMT Designated Maturity as published in the H.15 under the caption “treasury constant maturities (nominal)” on such Reset Determination Date; or
- (iii) if the yield referred to in paragraph (ii) above is not published by 4:30 p.m. (New York City time) on such Reset Determination Date, the CMT Reset Reference Bank Rate on such Reset Determination Date,

where:

“CMT Designated Maturity” has the meaning given to it in the applicable Final Terms;

“CMT Rate Screen Page” has the meaning given to it in the applicable Final Terms (or any successor service or such other page as may replace that page on that service for the purpose of displaying “treasury constant maturities” as reported in H.15);

“CMT Reset Reference Bank Rate” means the percentage rate determined by the Calculation Agent on the basis of the Reset United States Treasury Securities Quotations provided by the CMT Reset Reference Banks to the Calculation Agent at or around 4:30 p.m. (New York City time) on the relevant Reset Determination Date and, in either case, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the CMT Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the CMT Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the CMT Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the CMT Reset Reference Bank Rate will be (i) the relevant CMT Rate but calculated as at the last available date preceding the relevant Reset Determination Date on which such a rate was published or (ii) (if this is later) the CMT Rate determined as at the last preceding Reset Determination Date (or, if there is no such preceding Reset Determination Date, the rate set out in the Final Terms as the “First Reset Period Fallback (CMT Rate)”);

“CMT Reset Reference Banks” means five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York selected by the Issuer in its discretion;

“H.15” means the weekly statistical release designated as H.15, or any successor publication, published by the board of governors of the Federal Reserve System at <https://www.federalreserve.gov/releases/H15/> or any successor site or publication;

“Reset United States Treasury Securities” means, on the relevant Reset Determination Date, United States Treasury Securities with an original maturity equal to the CMT Designated Maturity, a remaining term to maturity of no more than one year shorter than the CMT Designated Maturity and in a principal amount equal to an amount that is representative for a single transaction in such United States Treasury Securities in the New York City market. If two or more United States Treasury Securities have remaining terms to maturity of no more than one year shorter than the CMT Designated Maturity, the United States Treasury Security with the longer remaining term to maturity will be used and if two or more United States Treasury Securities have remaining terms to maturity equally close to the duration of the CMT Designated Maturity, the United States Treasury Security with the largest nominal amount outstanding will be used;

“Reset United States Treasury Securities Quotation” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate quoted by a CMT Reset Reference Bank as being a yield-to-maturity based on the secondary market bid price of such CMT Reset Reference Bank for Reset United States Treasury Securities at approximately 4:30 p.m. (New York City time) on such Reset Determination Date; and

“United States Treasury Securities” means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis;

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

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

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

“First Reset Rate of Interest” means, in respect of the First Reset Period (subject, if the Reset Reference Rate specified hereon is ‘Mid-Swaps’, to Condition 5(b)(ii) (*Fallbacks for Mid-Swap Rate*)), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum (converted, if necessary, from the frequency basis (e.g. annual, semi-annual or otherwise) for the CMT Rate, Mid-Swap Rate (being the Fixed Leg Swap Duration) or Reference Bond Yield, as the case may be, to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period) of (A) the relevant Reset Reference Rate and (B) the First Margin;

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

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

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

“Mid-Market Swap Rate” means (subject to Condition 5(b)(ii) (*Fallbacks for Mid-Swap Rate*) and (if applicable) Condition 5(f) (*Benchmark Discontinuation*)) for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Duration (calculated on the basis of the Day Count Fraction as specified in the applicable Final Terms as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an

acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Floating Leg Swap Duration specified in the applicable Final Terms (calculated on the basis of the Day Count Fraction as specified for such Mid-Swap Floating Leg Benchmark Rate, as determined by the Calculation Agent);

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

“Mid-Swap Floating Leg Benchmark Rate” means (subject to Condition 5(f) (*Benchmark Discontinuation*), if applicable) the reference rate specified as such in the applicable Final Terms, or if no such reference rate is so specified:

- (i) if the Specified Currency is euro, the EURIBOR rate for the Floating Leg Swap Duration (calculated on an Actual/360 day count basis);
- (ii) if the Specified Currency is pounds sterling, the overnight SONIA rate compounded for the Floating Leg Swap Duration (calculated on an Actual/365 day count basis);
- (iii) if the Specified Currency is U.S. dollars, the overnight SOFR rate compounded for the Floating Leg Swap Duration (calculated on an Actual/360 day count basis); or
- (iv) if the Specified Currency is a currency other than euro, pounds sterling or U.S. dollars, the reference rate customary for determining the mid-swap floating leg for swaps in the relevant Specified Currency at such time, (calculated on such day count basis as is then customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“Mid-Swap Rate” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, and subject to Condition 5(b)(ii) (*Fallbacks for Mid-Swap Rate*) and (if applicable) Condition 5(f) (*Benchmark Discontinuation*), either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or
- (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page or such replacement page on that service which displays the information,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent, *provided*, however, that if there is no such rate appearing on the Relevant Screen Page for a term equal to the relevant Reset Period, then the Mid-Swap Rate shall be determined through the use of straight-line interpolation by reference to two rates, one of which shall be determined

in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period;

“Reference Bond Yield” means the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond expressed as a percentage, as determined by the Calculation Agent as follows on the basis of the Reference Government Bond Dealer Quotations provided to the Calculation Agent (upon request by or on behalf of the Issuer) by the Reference Government Bond Dealers at or around the relevant Reference Bond Reset Rate Time on the relevant Reset Determination Date. If four or more Reference Government Bond Dealer Quotations are so provided, the Reset Reference Rate shall be the arithmetic average of such Reference Government Bond Dealer Quotations after excluding the highest (or, in the event of equality, one of the highest) and lowest (or, in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations. If only two or three Reference Government Bond Dealer Quotations are so provided, the Reset Reference Rate shall be the arithmetic average of all such quotations. If only one Reference Government Bond Dealer Quotation is so provided, the Reset Reference Rate shall be the quotation provided. If no Reference Government Bond Dealer Quotations are so provided, the Reset Reference Rate will be (i) in the case of each Reset Period other than the First Reset Period, the Reset Reference Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, the “Reference Bond Fallback Rate” set out in the applicable Final Terms,

where:

“Reference Bond” means, for any Reset Period, the government bond or bonds issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, and unless otherwise specified in the applicable Final Terms, 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 Specified Currency and of a comparable maturity to the relevant Reset Period;

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

“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; and

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and the relevant Reset Determination Date, the arithmetic mean average, as determined by the Calculation Agent, of the bid and offered yields to maturity or interpolated yields to maturity (on the relevant day count basis) for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Reference Bond Reset Rate Time on the relevant Reset Determination Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer;

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

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

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

“Reset Determination Date” means, in respect of a Reset Period, the second Reset Business Day prior to the first day of such Reset Period;

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

“Reset Rate of Interest” means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

“Reset Reference Rate” means (i) if ‘CMT Rate’ is specified in the applicable Final Terms, the CMT Rate, (ii) if ‘Mid-Swaps’ is specified in the applicable Final Terms the Mid-Swap Rate, or (iii) if ‘Reference Bond’ is specified in the applicable Final Terms, the Reference Bond Yield;

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

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

“Subsequent Reset Date” means the date or dates specified as such in the applicable Final Terms; and

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Period (subject, if the Reset Reference Rate specified hereon is ‘Mid-Swaps’, to Condition 5(b)(ii) (*Fallbacks for Mid-Swap Rate*)), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum (converted, if necessary, from the frequency basis (e.g. annual, semi-annual or otherwise) for the CMT Rate, Mid-Swap Rate (being the Fixed Leg Swap Duration) or Reference Bond Yield, as the case may be, to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period), of (A) the relevant Reset Reference Rate and (B) the relevant Subsequent Margin.

(ii) *Fallbacks for Mid-Swap Rate*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (other than in the circumstances provided for in Condition 5(f) (*Benchmark Discontinuation*)), the Calculation Agent shall request each of the Mid-Swap Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

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

If on any Reset Determination Date only one of the Mid-Swap Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of

Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) of (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotation and the First Margin or the relevant Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Mid-Swap Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(b)(ii) (*Fallbacks for Mid-Swap Rate*), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined by the Calculation Agent as if, and on the assumption that, the relevant Reset Reference Rate were equal to:

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

For the purposes of this Condition 5(b)(ii) (*Fallbacks for Mid-Swap Rate*) “Mid-Swap Reference Banks” means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

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

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Principal Paying Agent, the Trustee and any competent authority or stock exchange by or on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 5(c)(vii) (*Notification of Rate of Interest and Interest Amounts*)) thereafter.

(iv) *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 5(b) (*Interest on Reset Notes*) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at a rate equal to the applicable Rate of Interest and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, “Interest Period” means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date) or the relevant payment date if the Notes become payable on a date other than the Interest Payment Date.

For so long as any of the Floating Rate Notes is represented by a Global Note or a Global Certificate held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note, interest will be calculated on its outstanding nominal amount.

(ii) *Business Day Convention*

If a Business Day Convention is specified in the applicable 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:

- (A) in any case where Specified Periods are specified in accordance with Condition 5(c)(i)(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 (B) 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
- (B) the “Following Business Day Convention”, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the “Modified Following Business Day Convention”, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the “Preceding Business Day Convention”, such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (E) the “Modified Preceding Business Day Convention”, such Interest Payment Date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such Interest Payment Date shall be postponed to the next day which is a Business Day.

In these Terms and Conditions, “Business Day” means a day which is both:

- (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 (other than T2) specified in the applicable Final Terms;
- (B) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (“T2”) is open; and
- (C) 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 (if other than London and any Additional Business Centre and 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 T2 is open.

(iii) *Rate of Interest*

In these Terms and Conditions, “Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the applicable provisions below.

Unless otherwise stated in the applicable Final Terms, a Minimum Rate of Interest of zero shall be deemed to apply to each Rate of Interest.

(A) *Screen Rate Determination – Term Rate*

- (1) Where ‘Term Rate’ is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided in Condition 5(c)(iv) (*Minimum and/or Maximum Rate of Interest*) and Condition 5(f) (*Benchmark Discontinuation*) below, be either:

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) 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) at the Specified Time (as specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the relevant Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. 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 Principal Paying Agent or the

Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (2) If the Relevant Screen Page is not available or if no offered quotation appears on the Relevant Screen Page or fewer than three offered quotations appear on the Relevant Screen Page, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks (as defined in the Agency Agreement) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate as at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as indicated in the applicable Final Terms) the relevant Margin (if any), all as determined by the Principal Paying Agent.
- (3) If on any Interest Determination Date one only or none of the Reference Banks provides the Principal 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 Principal Paying Agent determines as being either:
 - (a) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Principal Paying Agent (at the request of the Issuer) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified 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 Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre for the relevant Reference Rate, in each case plus or minus (as indicated in the applicable Final Terms) the relevant Margin (if any); or
 - (b) in the event that the Principal Paying Agent can determine no such arithmetic mean, the lowest lending rate for lending amounts in the Specified Currency for a period equal to that which would have been used for the Reference Rate at approximately the Specified Time on the relevant Interest Determination Date, at which any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Principal Paying Agent (at the request of the Issuer) it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre, in each case plus or minus (as indicated in the applicable Final Terms) the relevant 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:

- (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or

Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

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

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) *Screen Rate Determination – Overnight Rate – SONIA – Non-Index Determination*

- (1) Where (i) ‘Overnight Rate’ is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate is specified in the applicable Final Terms as being SONIA and (iii) ‘Index Determination’ is specified in the applicable Final Terms as being ‘Not Applicable’, the Rate of Interest for an Interest Accrual Period will, subject to Condition 5(f) (*Benchmark Discontinuation*) and as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

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

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

where:

“d” is the number of calendar days in:

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

“do” is the number of London Banking Days in:

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

“i” is a series of whole numbers from one to ‘do’, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

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

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

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

“Observation Period” means, in respect of an Interest Accrual Period, the period from (and including) the date falling ‘p’ London Banking Days prior to the first day of the relevant Interest Accrual Period and ending on (but excluding) the date falling ‘p’ London Banking Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling ‘p’ London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” means:

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

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

“SONIA_i” means the SONIA reference rate for:

- (i) where ‘Lag’ is specified as the Observation Method in the applicable Final Terms, the London Banking Day falling ‘p’ London Banking Days prior to the relevant London Banking Day ‘i’; or
 - (ii) where ‘Observation Shift’ is specified as the Observation Method in the applicable Final Terms, the relevant London Banking Day ‘i’.
- (2) Subject to Condition 5(f) (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to Condition 5(c)(iii)(B)(1) above, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, the Calculation Agent determines that the SONIA reference rate is not available on the

Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be the rate determined by the Calculation Agent as:

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

and in each case, references to "SONIA reference rate" in Condition 5(c)(iii)(B)(1) above shall be construed accordingly.

- (3) In the event that the Rate of Interest cannot be determined by the Calculation Agent in accordance with the foregoing provisions of this Condition 5(c)(iii)(B), and without prejudice to Condition 5(f) (*Benchmark Discontinuation*), the Rate of Interest shall be:

- (a) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or
- (b) 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 scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest applicable to the first scheduled Interest Period),

in each case as determined by the Calculation Agent.

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

- (1) Where (i) 'Overnight Rate' is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate is specified in the applicable Final Terms as being SONIA and (iii) 'Index Determination' is specified in the applicable Final Terms as being 'Applicable', the Rate of Interest for an Interest

Accrual Period will, subject to Condition 5(f) (*Benchmark Discontinuation*) and as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

“Compounded Daily SONIA Rate” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed on the Relevant Screen Page specified in the applicable Final Terms or, if no such page is so specified or if such page is unavailable at the relevant time, as otherwise published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date (the “SONIA Compounded Index”), and in accordance with the following formula:

where:
$$\left(\frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} \right)^{\frac{365}{d}}$$

“d” is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index_{Start} is determined to (but excluding) the day in relation to which SONIA Compounded Index_{End} is determined;

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

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

“SONIA Compounded Index_{Start}” means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Accrual Period; and

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

- (2) If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Accrual Period for which the SONIA Compounded Index is not available shall be “Compounded Daily SONIA” determined in accordance with Condition 5(c)(iii)(B) above as if ‘Index Determination’ were specified in the applicable Final Terms as being ‘Not Applicable’,

and for these purposes: (i) the ‘Observation Method’ shall be deemed to be ‘Observation Shift’ and (ii) the ‘Observation Shift Period’ shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the applicable Final Terms.

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

- (1) This Condition 5(c)(iii)(D) applies where (i) ‘Overnight Rate’ is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate is specified in the applicable Final Terms as being either ‘Compounded Daily SOFR’ or ‘Weighted Average SOFR’ and (iii) ‘Index Determination’ is specified in the applicable Final Terms as being ‘Not Applicable’.

Where the applicable Final Terms specifies the Reference Rate to be ‘*Compounded Daily SOFR*’, the provisions of paragraph (2) below of this Condition 5(c)(iii)(D) apply.

Where the applicable Final Terms specifies the Reference Rate to be “*Weighted Average SOFR*”, the provisions of paragraph (3) below of this Condition 5(c)(iii)(D) apply.

(2) *Compounded Daily SOFR*

Where this paragraph (2) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 5(f) (*Benchmark Discontinuation*) and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

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

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

where:

“d” is the number of calendar days in:

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

“do” is the number of U.S. Government Securities Business Days in:

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

“i” is a series of whole numbers from one to ‘do’, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

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

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

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

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

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

“p” means:

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

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

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

“SOFR_i” means the SOFR for:

- (i) where ‘Lag’ is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling ‘p’ U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day ‘i’;
- (ii) where ‘Lock-out’ is specified as the Observation Method in the applicable Final Terms:
 - (x) in respect of each U.S. Government Securities Business Day ‘i’ that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or
 - (y) in respect of each U.S. Government Securities Business Day ‘i’ that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or
- (iii) where ‘Observation Shift’ is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day ‘i’; and

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

(3) *Weighted Average SOFR*

Where this paragraph (3) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 5(f) (*Benchmark Discontinuation*) and as provided below, be the Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards), where:

“Weighted Average SOFR” means:

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

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

Defined terms used in this paragraph (3) and not otherwise defined herein have the meanings given to them in paragraph (2) above of this Condition 5(c)(iii)(D).

(4) *SOFR Unavailable*

Subject to Condition 5(f) (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to this Condition 5(c)(iii)(D), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(c)(iii)(D) but without prejudice to Condition 5(f) (*Benchmark Discontinuation*), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 5(c)(iii)(B)(3).

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

- (1) Where (i) 'Overnight Rate' is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate is specified in the applicable Final Terms as being 'Compounded Daily SOFR' and (iii) 'Index Determination' is specified in the applicable Final Terms as being 'Applicable', the Rate of Interest for an Interest Accrual Period will, subject to Condition 5(f) (*Benchmark Discontinuation*) and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

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

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

where:

"d_c" is the number of calendar days from (and including) the day in relation to which SOFR Index_{Start} is determined to (but excluding) the day in relation to which SOFR Index_{End} is determined;

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

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

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

“SOFR Administrator’s Website” means the website of the SOFR Administrator, or any successor source;

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

“SOFR Index_{Start}”, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

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

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

- (2) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator’s Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be ‘Compounded Daily SOFR’ determined in accordance with Condition 5(c)(iii)(D) above as if ‘*Index Determination*’ were specified in the applicable Final Terms as being ‘Not Applicable’, and for these purposes: (a) the ‘*Observation Method*’ shall be deemed to be ‘*Observation Shift*’ and (b) the ‘*Observation Shift Period*’ shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

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

- (1) Where (i) ‘Overnight Rate’ is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (ii) the Reference Rate is specified in the applicable Final Terms as being €STR and (iii) ‘Index Determination’ is specified in the applicable Final Terms as being ‘Not Applicable’, the Rate of Interest for an Interest Accrual Period will, subject to Condition 5(f) (*Benchmark Discontinuation*) and as provided below, be the Compounded Daily €STR Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

“Compounded Daily €STR” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula

(and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{€STR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

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

“€STR_i” means the €STR reference rate for:

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

“d” is the number of calendar days in:

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

“d_o” is the number of TARGET Business Days in:

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

“i” is a series of whole numbers from one to ‘d_o’, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

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

“ n_i ” for any TARGET Business Day ‘i’, means the number of calendar days from (and including) such TARGET Business Day ‘i’ up to (but excluding) the following TARGET Business Day;

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

“p” means:

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

“TARGET Business Day” means any day on which T2 is open.

- (2) Subject to Condition 5(f) (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to Condition 5(c)(iii)(F)(1) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (3) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5(c)(iii)(F), but without prejudice to Condition 5(f) (*Benchmark Discontinuation*), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 5(c)(iii)(B)(3).

(G) *Interest Accrual Period*

As used herein, an “Interest Accrual Period” means (as the context admits) (a) each Interest Period and (b) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the Notes become due and payable in accordance with Condition 10, shall be the date on which the Notes become due and payable).

(H) *Determination of Rate of Interest following acceleration – Overnight Rates*

Where ‘Overnight Rate’ is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, if the Notes become due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which such Notes become so due and payable, and such Rate of Interest on such Notes shall, for so long as interest continues to accrue thereon as provided in Condition 5(d) and the Trust Deed, continue to apply to the Notes.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, and if, but for this Condition 5(c)(iv), the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (iii) above (or any Interest Accrual Period falling within such Interest Period) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (iii) above (or any Interest Accrual Period falling within such Interest Period) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Maximum Rate of Interest.

(v) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Principal Paying Agent or the Calculation Agent, as applicable, 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 Accrual Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Accrual Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note or Global Certificate held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the relevant Notes; 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 subunit being rounded upwards or otherwise in accordance with applicable market convention.

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

(vi) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, 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 shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as the Issuer in consultation with an

Independent Adviser (as defined in Condition 5(f) (Benchmark Discontinuation)) determines appropriate.

In this Condition:

“Designated Maturity” means the period of time designated in the Reference Rate.

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

- (A) Except where the applicable Final Terms specifies ‘Overnight Rate’ to be ‘Applicable’, the Principal Paying Agent or the Calculation Agent, as applicable, 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, the Trustee and any competent authority or stock exchange by or on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) 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 be promptly notified to each relevant competent authority or stock exchange by or on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). 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.
- (B) Where the applicable Final Terms specifies ‘Overnight Rate’ to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any competent authority or stock exchange by or on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the second London Business Day thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the relevant Interest Accrual Period. Any such amendment will be promptly notified to each relevant competent authority or stock exchange by or on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). 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.

(viii) *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 5(c) (*Interest on Floating Rate Notes*) by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents and the Transfer Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) *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 unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

(e) *Day Count Fractions*

In this Condition 5 (*Interest*):

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

- (i) if “Actual/Actual (ICMA)” is specified in the applicable 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 applicable 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 applicable 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 “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of 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);
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Fixed Interest Period or 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;

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

“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 first Determination Date falling after, such date).

(f) *Benchmark Discontinuation*

This Condition 5(f) applies in respect of each issue of Floating Rate Notes and Reset Notes unless ‘Benchmark Discontinuation’ is specified in the applicable Final Terms to be ‘Not Applicable’.

If the applicable Final Terms specify ‘Benchmark Replacement’ to be ‘Applicable’, the provisions of Condition 5(f)(i) apply, together with the other provisions of this Condition 5(f) (other than Condition 5(f)(ii)).

If the applicable Final Terms specify ‘Benchmark Transition’ to be ‘Applicable’, the provisions of Condition 5(f)(ii) apply, together with the other provisions of this Condition 5(f) (other than Condition 5(f)(i)).

(i) *Benchmark Replacement*

Notwithstanding the provisions above in this Condition 5 (*Interest*), if the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest or Reset Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

(A) *Independent Adviser*

The Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable) (the “IA Determination Cut-off Date”), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest or Reset Rate of Interest (or the relevant component part thereof) applicable to the Notes.

(B) *Successor Rate or Alternative Reference Rate*

If a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable), adjusted by the applicable Adjustment Spread as provided below, shall be the Reference Rate, Mid-Swap Floating Leg Benchmark Rate or other applicable benchmark or reference rate (as applicable) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of this Condition 5(f), if applicable); *provided*, however, that if the Independent Adviser is unable to or does not determine a Successor Rate or an Alternative Reference Rate or (in either case) the applicable Adjustment Spread prior to the relevant Interest Determination Date or Reset Determination

Date (as applicable), the Rate of Interest or Reset Rate of Interest applicable to the next succeeding Interest Period or Reset Period (as applicable) shall be determined in accordance with Condition 5(f)(vii).

(C) *Adjustment Spread*

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

(D) *Benchmark Amendments*

If the Independent Adviser determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and (in either case) the applicable Adjustment Spread in accordance with the above provisions, the Independent Adviser may also specify changes (“Benchmark Amendments”) to these Conditions (including, but not limited, to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Reset Determination Date and/or the definition of Reference Rate, Mid-Swap Floating Leg Benchmark Rate or other applicable benchmark or reference rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes) in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable).

For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to the Benchmark Amendments and the Trustee and Principal Paying Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and Principal Paying Agent shall not be obliged to effect such changes if, in the sole opinion of the Trustee or Principal Paying Agent, respectively, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or protective provisions afforded to the Trustee or the Principal Paying Agent in these Conditions or the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental Trust Deed or supplement agency agreement) in any way.

Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable), Adjustment Spread, Benchmark Amendments or such other changes, including for the execution of any documents or other steps by the Trustee or Principal Paying Agent (if required).

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

(E) *Notice and certification*

The Issuer shall, promptly following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the applicable Adjustment Spread, give notice and certification thereof in accordance with Condition 5(f)(iii) below.

(F) *Definitions*

For the purposes of this Condition 5(f)(i) (*Benchmark Replacement*):

“Adjustment Spread” means either a spread (which, for the avoidance of doubt, may be positive, negative or zero) or a formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and which:

- (i) in the case of a Successor Rate, is formally recommended or provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or option provided, or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) determines is recognised or acknowledged as being in customary market usage (or reflects an industry-accepted rate, formula or methodology) in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage (or industry-accepted rate) is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) to be appropriate having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this paragraph (iii), of reducing or eliminating any economic prejudice or benefit (as applicable) to the Noteholders and Couponholders;

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

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

- (1) the Original Reference Rate ceasing to exist or to be published or administered on a permanent or indefinite basis; or
- (2) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or will cease to publish the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been or will be appointed that will continue publication of the Original Reference Rate); or
- (3) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will be prohibited from being used, is no longer (or will no longer be) representative of its underlying market or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same shall be applicable to the Notes; or

- (5) it has, or will prior to the next Interest Determination Date or Reset Determination Date (as applicable), become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Regulation (EU) 2016/1011 as that Regulation applies in the European Union and/or as it forms part of domestic law in the United Kingdom under the European Union (Withdrawal) Act 2018, as amended, if applicable),

provided that in the case of paragraphs (2) to (4) above, the Benchmark Event shall occur on:

- (i) in the case of (2) above, the date of the cessation of the publication of the Original Reference Rate;
- (ii) in the case of (3) above, the discontinuation of the Original Reference Rate; or
- (iii) in the case of (4) above, the date on which the Original Reference Rate is prohibited from use, is deemed no longer to be representative or becomes subject to restrictions or adverse consequences (as applicable),

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

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

“Original Reference Rate” means the originally-specified benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable) used to determine the Rate of Interest or Reset Rate of Interest (or any component part thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally specified benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (or any Successor Rate or Alternative Reference Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Reference Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Reference Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Reference Rate);

“Relevant Nominating Body” means, in respect of a benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable):

- (1) the central bank for the currency to which the benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

“Successor Rate” means the rate that the Independent Adviser determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(ii) *Benchmark Transition*

Notwithstanding the provisions above in this Condition 5 (*Interest*), if the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in relation to an Original Reference Rate when any Rate of Interest or Reset Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

(A) *Independent Adviser*

The Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable) (the “IA Determination Cut-off Date”), the Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent amendment of this Condition 5(f)(ii) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes.

Any Benchmark Replacement so determined by the Independent Adviser shall have effect for any subsequent determination of any relevant Rate of Interest or Reset Rate of Interest (subject to any further application of this Condition 5(f)(ii) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If the Independent Adviser is unable to or does not determine a Benchmark Replacement prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest or Reset Rate of Interest applicable to the next succeeding Interest Period or Reset Period (as applicable) shall be determined in accordance with Condition 5(f)(vii).

(B) *Benchmark Replacement Conforming Changes*

If the Independent Adviser considers it necessary to make such Benchmark Replacement Conforming Changes, the Independent Adviser shall determine the terms of such Benchmark Replacement Conforming Changes, and the Trustee and Principal Paying Agent shall, subject as follows, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(f)(ii) (*Benchmark Transition*).

For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to the Benchmark Replacement Conforming Changes and the Trustee and Principal Paying Agent shall not be liable to any party for any consequences thereof, *provided that* the Trustee and Principal Paying Agent shall not be obliged to effect such changes if, in the sole opinion of the Trustee or Principal Paying Agent, respectively, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or protective provisions afforded to the Trustee or the Principal Paying Agent in these Conditions

or the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental Trust Deed or supplement agency agreement) in any way.

Noteholder consent shall not be required in connection with effecting the Benchmark Replacement, any Benchmark Replacement Conforming Changes or such other changes, including for the execution of any documents or other steps by the Trustee or Principal Paying Agent (if required).

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

(C) *Definitions*

For the purposes of this Condition 5(f)(ii) (*Benchmark Transition*):

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

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Independent Adviser as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

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

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Independent Adviser giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

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

use of the Benchmark Replacement exists, in such other manner as the Independent Adviser determines is reasonably necessary);

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

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 5(c)(iii)(A)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

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

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

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

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

“ISDA Definitions” means the 2021 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;

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

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

“Original Reference Rate” means the originally-specified benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable) used to determine the Rate of Interest or Reset Rate of Interest (or any component part thereof) on the Notes (provided that if, following one or more Benchmark Transition Events, such originally specified benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable) (or any benchmark used in any Benchmark Replacement which has replaced it (the “Replacement Benchmark”)) has been replaced by a (or a further) Replacement Benchmark and a Benchmark Transition Event subsequently occurs in respect of such Replacement Benchmark, the term “Original Reference Rate” shall be deemed to include any such Replacement Benchmark);

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

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

(iii) *Notice and certification, etc.*

The Issuer shall notify the Trustee, the Principal Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders, promptly of any Successor Rate, Alternative Reference Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), determined under this Condition 5(f) (*Benchmark Discontinuation*). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

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

- (A) confirming (x) that a Benchmark Event or a Benchmark Transition Event (as applicable) has occurred, (y) the Successor Rate or Alternative Reference Rate and (in either case) the

applicable Adjustment Spread or, as the case may be, the Benchmark Replacement and (z) the specific terms of the Benchmark Amendments or Benchmark Replacement Conforming Changes (if any), as applicable, in each case as determined in accordance with the provisions of this Condition 5(f) (*Benchmark Discontinuation*); and

- (B) certifying that the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) are necessary to ensure the proper operation of (as applicable) (A) such Successor Rate or Alternative Reference Rate and (in either case) the applicable Adjustment Spread or (B) such Benchmark Replacement;

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

(iv) *Survival of Original Reference Rate*

Without prejudice to the Issuer's obligations under the provisions of this Condition 5(f) (*Benchmark Discontinuation*), the Original Reference Rate and the fallback provisions provided for in Condition 5(b) (*Interest on Reset Notes*) and Condition 5(c) (*Interest on Floating Rate Notes*), as applicable, will continue to apply unless and until the Calculation Agent has been notified, in accordance with Condition 5(f)(iii) (*Notice and certification, etc.*) of (as the case may be):

- (A) the Successor Rate or the Alternative Reference Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 5(f)(i); or
- (B) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 5(f)(ii).

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

An Independent Adviser appointed pursuant to this Condition 5(f) (*Benchmark Discontinuation*) shall act in good faith.

In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Paying Agents, the Principal Paying Agent, the Paying Agents, the Calculation Agent or the Noteholders or Couponholders for any determination made by the Issuer or the Independent Adviser or (in the case of the Independent Adviser) for any advice given by it to the Issuer in connection with any determination pursuant to this Condition 5(f) (*Benchmark Discontinuation*).

(vi) *Regulatory Capital / Eligible Liabilities*

Notwithstanding any other provision of this Condition 5(f) (*Benchmark Discontinuation*), the Issuer shall not be required to adopt any Successor Rate, Alternative Reference Rate, Adjustment Spread or Benchmark Replacement, nor to effect any Benchmark Amendments or Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected either:

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

In such event, the Issuer shall be entitled to apply the provisions of this Condition 5(f) (*Benchmark Discontinuation*) with such further adjustments as it considers necessary to avoid the consequences described under (A) and/or (B) above, provided that the Issuer, acting in good faith and in a commercially reasonable manner, has determined that so doing shall not be materially less favourable to Noteholders and Couponholders than failing to apply the provisions of this Condition 5(f) (*Benchmark Discontinuation*) at all.

(vii) *Fallbacks*

If, following the occurrence of:

- (A) a Benchmark Event; or
- (B) a Benchmark Transition Event (and its related Benchmark Replacement Date),

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

- (1) (in the case of (A) above) no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to Condition 5(f)(i) (*Benchmark Replacement*) or (as the case may be) a Successor Rate or Alternative Reference Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 5(f)(i) (*Benchmark Replacement*); or
- (2) (in the case of (B) above) no Benchmark Replacement is determined in accordance with Condition 5(f)(ii) (*Benchmark Transition*),

or (in any such case) the Issuer is otherwise unable for any reason (including pursuant to Condition 5(f)(vi) (*Regulatory Capital / Eligible Liabilities*)) to implement any such Successor Rate, Alternative Reference Rate, Adjustment Spread or Benchmark Replacement (as the case may be) that has been determined, the original benchmark, mid-swap floating leg benchmark rate, screen rate or other applicable reference rate (as applicable) will continue to apply for the purposes of determining such Rate of Interest or Reset Rate of Interest on such Interest Determination Date or Reset Determination Date (as the case may be), with the effect that the fallback provisions provided in Condition 5(b) (*Interest on Reset Notes*) and Condition 5(c) (*Interest on Floating Rate Notes*), as applicable, will continue to apply to such determination.

In such circumstances, the Issuer will be required, at least once per year thereafter, to attempt to re-apply the provisions of this Condition 5(f) (*Benchmark Discontinuation*), *mutatis mutandis*, on one or more occasions until:

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

have been determined and notified in accordance with this Condition 5(f) (and, until such determination and notification (if any), the fallback provisions provided in Condition 5(b)

(*Interest on Reset Notes*) and Condition 5(c) (*Interest on Floating Rate Notes*), as applicable, will continue to apply).

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

If the Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition 5(f) (*Benchmark Discontinuation*) (including, without limitation, appointing an Independent Adviser to identify any Successor Rate, Alternative Reference Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), provided that no Successor Rate, Alternative Reference Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

6 Payments

(a) *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, 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 (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments will be made in euro 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 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Presentation of Definitive Bearer Notes and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive 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, its territories, its possessions and other areas subject to its jurisdiction)).

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 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) 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 unmaturing 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, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmaturing 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 in definitive bearer form (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.

(c) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Bearer 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 Bearer Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it is presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *Registered Notes*

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(d)(ii) (*Registered Notes*) below.
- (ii) Payments of interest on each Registered Note (whether or not in global form) shall be made in the relevant currency drawn on a bank in the principal financial centre of the country of such Specified Currency and mailed to the holder (or to the first named of joint holders) of such Note at its address 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"). Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and such payment of interest may be made by transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such currency.

(e) *General Provisions Applicable to Payments*

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

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. 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 U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer 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 U.S. 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.

(f) *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 (*Prescription*)) 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:
 - (A) (in the case of Notes in definitive form only) the relevant place of presentation; and
 - (B) each (if any) Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (ii) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and
- (iii) 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 (if other than the place of presentation, London and any Additional Financial Centre and 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 T2 is open;

(g) *Interpretation of Principal and Interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or 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) the Clean-up Call Redemption Amount (if applicable) of the Notes;
- (vi) the Loss Absorption Disqualification Event Redemption Price; and
- (vii) 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 Terms and Conditions and the Trust Deed to “interest” in respect of the Notes shall be deemed to include any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any obligation or undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7 Redemption and Purchase

(a) *Redemption 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, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

Subject (if this Note is a Subordinated Note only) to obtaining Regulatory Approval and compliance with the Regulatory Pre-conditions (each as defined below) or (if this Note is a Senior Non-Preferred Note only) to Condition 7(k) (*Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*), and provided that notice is given (within the period specified in the applicable Final Terms) to the Trustee and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that, as a result of a Tax Law Change (as defined below):

- (i) on the occasion of the next payment due in respect of the Notes, the Issuer will or would be required to pay additional amounts as described under Condition 8 (*Taxation*) or to account to any taxing authority in the Tax Jurisdiction for any amount (other than any tax withheld or deducted from interest payable in respect of the Notes) calculated by reference to any amount payable in respect of the Notes; or
- (ii) (if this Note is a Senior Non-Preferred Note or a Subordinated Note only) the Issuer would not be entitled to claim a deduction in respect of any interest payable in respect of the Notes in computing its taxation liabilities or the amount of any such deduction would be materially reduced,

and the consequences of such event cannot be avoided by the Issuer taking reasonable measures available to it (each such event being referred to as a “Tax Event”), the Issuer may redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all (but not some only) of the Notes at their Early Redemption Amount referred to in Condition 7(h) (*Early Redemption Amounts*) below together, if applicable, with any accrued and unpaid interest to (but excluding) the date fixed for redemption. Upon the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 7(b) (*Redemption for Tax Reasons*), the Issuer shall deliver to the Trustee a certificate signed by any two Directors of the Issuer setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem

have occurred and an opinion of independent legal advisors of recognised standing satisfactory to the Trustee to the effect that, as a result of a Tax Law Change, the circumstances described in Condition 7(b)(i) or 7(b)(ii), as the case may be, have occurred or will occur (but, for the avoidance of doubt, such opinion need not comment on whether or not the consequences of such event could be avoided by the Issuer taking reasonable measures available to it). The Trustee shall be entitled, without liability to any person, to accept such certificate and opinion without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

Subject (if this Note is a Subordinated Note only) to obtaining Regulatory Approval and compliance with the Regulatory Pre-conditions or (if this Note is a Senior Non-Preferred Note only) to Condition 7(k) (*Redemption and Purchases – Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*), if ‘Issuer Call’ is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 15 (*Notices*) (which notice 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 applicable Final Terms together, if applicable, with accrued and unpaid interest to (but excluding) the relevant Optional Redemption Date. If applicable, any such redemption must be of a nominal amount equal to the Minimum Redemption Amount (if any) or a Maximum Redemption Amount (if any) specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (“Redeemed Notes”) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption.

(d) *Clean-up Call*

This Condition 7(d) shall apply if ‘Clean-up Call’ is specified to be applicable in the applicable Final Terms.

If, at any time from (and including) the Clean-up Call Effective Date, a Clean-up Call Event (as defined below) has occurred with respect to the Notes, and subject (if this Note is a Subordinated Note only) to obtaining Regulatory Approval and compliance with the Regulatory Pre-conditions or (if this Note is a Senior Non-Preferred Note only) to Condition 7(k) (*Redemption and Purchases – Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*), the Issuer may in its sole discretion, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable and shall specify the date of redemption or purchase, as the case may be), redeem (or, at its option, purchase or procure the purchase of) at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only of the Notes then outstanding at their Clean-up Call Redemption Amount specified in the applicable Final Terms together, if applicable, with accrued and unpaid interest to (but excluding) the date fixed for redemption or purchase (as applicable). Upon the expiry of such notice, the Issuer shall be bound to redeem or, as the case may be, purchase or procure the purchase of the Notes accordingly.

Prior to the publication of any notice of redemption pursuant to this Condition 7(d), the Issuer shall deliver to the Trustee a certificate signed by any two Directors of the Issuer stating (i) that a Clean-up Call Event has occurred as at the date of the certificate and (ii) that the applicable pre-conditions have been satisfied, and

the Trustee shall be entitled to accept such certificate without any further enquiry as sufficient evidence of such occurrence, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

For the purpose of these Conditions:

“Clean-up Call Effective Date” means (i) in the case of Senior Preferred Notes or Senior Non-Preferred Notes, the Issue Date of the first Tranche of the relevant Series of such Notes and (ii) in the case of Subordinated Notes, the date specified in the applicable Final Terms or such earlier date as may be permitted under the prevailing Capital Adequacy Regulations from time to time; and

a “Clean-up Call Event” shall be deemed to occur in respect of the Notes if the Issuer has redeemed and/or purchased (and/or otherwise acquired) and cancelled Notes in an aggregate principal amount equal to or in excess of the Clean-up Call Threshold Percentage specified in the applicable Final Terms (or, if no such threshold is so specified, 75 per cent.) of the principal amount of the Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 18 (*Further Issues*) and consolidated and forming a single Series with the Notes shall be deemed to have been originally issued).

- (e) *Redemption at the Option of the Noteholders (Senior Preferred Notes and Senior Non-Preferred Notes only) (Investor Put)*

This Condition 7(e) applies only if this Note is a Senior Preferred Note or a Senior Non-Preferred Note.

If ‘Investor Put’ is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem such Note on the relevant Optional Redemption Date and at the Optional Redemption Amount together, if applicable, with any accrued and unpaid interest to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, 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 (a “Put Notice”) 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(e) (*Redemption at the Option of the Noteholders (Senior Preferred Notes and Senior Non-Preferred Notes only) (Investor Put)*). If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

- (f) *Regulatory Event Redemption of Subordinated Notes*

This Condition 7(f) applies only if this Note is a Subordinated Note.

Subject to obtaining Regulatory Approval and to compliance with the Regulatory Pre-conditions, the Issuer may, in its sole discretion, if a Regulatory Event has occurred and is continuing, having given notice (within the period specified in the applicable Final Terms) to the Trustee, the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest

Payment Date (if this Note is a Floating Rate Note) all (but not some only) of the Notes at their Early Redemption Amount referred to in Condition 7(h) (*Early Redemption Amounts*) below together, if applicable, with any accrued and unpaid interest to (but excluding) the date fixed for redemption.

Prior to the publication of any notice of early redemption pursuant to this Condition 7(f) (*Regulatory Event Redemption of Subordinated Notes*), the Issuer shall deliver to the Trustee a certificate signed by any two Directors of the Issuer confirming that a Regulatory Event has occurred and is continuing and that the applicable conditions precedent have been satisfied and in each case the details thereof. The Trustee shall be entitled, without liability to any person, to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Noteholders. Upon the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

(g) *Redemption following a Loss Absorption Disqualification Event*

This Condition 7(g) applies only if this Note is a Senior Non-Preferred Note.

If ‘*Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption*’ is specified as ‘Applicable’ in the applicable Final Terms, then if a Loss Absorption Disqualification Event occurs, the Issuer may, in its sole discretion, subject to compliance with Condition 7(k) (*Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*), and having given not less than 15 nor more than 30 days’ notice to the Trustee (with a copy to the Principal Paying Agent) and, in accordance with Condition 15 (*Notices*), the Noteholders, redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all (but not some only) of the Notes at the Loss Absorption Disqualification Event Redemption Price specified in the applicable Final Terms, together with any accrued and unpaid interest to (but excluding) the date fixed for redemption.

The Issuer may exercise its right to redeem the Notes notwithstanding the prior exercise by any holder thereof of its option to require the redemption of the Note(s) held by it under Condition 7(e) (*Redemption at the Option of the Noteholders (Senior Preferred Notes and Senior Non-Preferred Notes only) (Investor Put)*) above if the due date for redemption under this Condition 7(g) would occur prior to that under Condition 7(e) but not otherwise and, in such circumstances, the exercise of the option under Condition 7(e) shall be rendered ineffective.

Prior to giving the above notice to the Trustee pursuant to this Condition 7(g), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that a Loss Absorption Disqualification Event has occurred and is continuing, and the Trustee shall be entitled, without liability to any person, to accept such certificate without any further enquiry as sufficient evidence of the same and it shall be conclusive and binding on the Trustee and the Noteholders. Upon the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

As used herein:

A “Loss Absorption Disqualification Event” shall be deemed to have occurred in respect of the Notes if, as a result of any amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective on or after the Issue Date of the latest Tranche of the Notes, either:

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

is or (in the opinion of the Issuer or the relevant Supervisory Authority) is likely to be excluded from the Issuer’s minimum requirements (whether on an individual or consolidated basis) for (A) own funds and

eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Issuer (whether on an individual or consolidated basis) and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; *provided that* a Loss Absorption Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer on the Issue Date of the latest Tranche of the Notes; and

“Loss Absorption Regulations” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom (including, without limitation, any provisions of the Insolvency Act 1986, as amended, or any other Ranking Legislation which relates to the requisite features of secondary non-preferential debts from time to time), any relevant Supervisory Authority then in effect in the UK and applicable to the Issuer (whether on an individual or consolidated basis), including, without limitation to the generality of the foregoing, any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by any relevant Supervisory Authority from time to time (whether such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer).

(h) *Early Redemption Amounts*

For the purpose of Condition 7(b) (*Redemption for Tax Reasons*) and Condition 7(f) (*Regulatory Event Redemption of Subordinated Notes*) above and Condition 10 (*Events of Default*):

- (i) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount specified in the applicable Final Terms (or, if no such amount is so specified, its principal amount); and
- (ii) each Zero Coupon Note will be redeemed at its Early Redemption 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; and

“AY” means the Accrual Yield; and

“y” is the Day Count Fraction specified in the applicable 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),

(i) *Purchases*

Subject (if this Note is a Subordinated Note only) to obtaining Regulatory Approval and to compliance with the Regulatory Pre-conditions or (if this Note is a Senior Non-Preferred Note only) to Condition 7(k) (*Pre-*

conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes), the Issuer or any Subsidiary (as defined in the Trust Deed) of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

Any Notes so purchased by or on behalf of the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary, be held, reissued, resold or surrendered to any Paying Agent for cancellation.

(j) *Cancellation*

All Notes which are redeemed, and all Notes which are purchased and surrendered for cancellation in accordance with Condition 7(i) (*Purchases*), will forthwith be cancelled (together, in the case of definitive Bearer Notes, with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). Such cancelled Notes cannot be reissued or resold.

(k) *Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*

This Condition 7(k) applies only if this Note is a Senior Non-Preferred Note.

Any redemption, purchase, substitution or variation of the Notes pursuant to Conditions 7(b) (*Redemption for Tax Reasons*), (c) (*Redemption at the Option of the Issuer (Issuer Call)*), (d) (*Clean-up Call*), (g) (*Redemption following a Loss Absorption Disqualification Event*), (i) (*Purchases*) or (l) (*Substitution and Variation of Senior Non-Preferred Notes*) (as the case may be), or modification of the Conditions or the Trust Deed in respect of the Notes, shall be subject to:

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

(l) *Substitution and Variation of Senior Non-Preferred Notes*

This Condition 7(l) applies if this Note is a Senior Non-Preferred Note and unless “*Senior Non-Preferred Notes: Substitution and Variation*” is expressly specified to be “Not Applicable” in the applicable Final Terms.

Upon the occurrence of a Loss Absorption Disqualification Event in respect of the Notes, the Issuer (in its sole discretion but subject to Condition 7(k) (*Pre-conditions to Redemption, Purchase, Substitution or*

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

In connection with any substitution or variation in accordance with this Condition 7(l), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

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

- (i) the Issuer complying with Condition 7(k) (*Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*);
- (ii) such substitution or variation not resulting in any event or circumstance which at that time gives the Issuer a redemption right in respect of the resulting Loss Absorption Compliant Notes; and
- (iii) prior to the publication of any notice of substitution or variation, the Issuer having delivered to the Trustee a certificate signed by two Directors of the Issuer stating that the Loss Absorption Disqualification Event giving rise to the right to substitute or vary the Notes has occurred as at the date of the certificate and that the applicable conditions set out in Condition 7(k)) (*Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*) have been satisfied, and the Trustee shall be entitled to accept and rely on such certificate without liability to any person and without any further inquiry as sufficient evidence thereof, in which event it shall (in the absence of wilful default, manifest error or bad faith), and without prejudice to the Trustee's ability to rely on such certificate as aforesaid, be conclusive and binding on the Trustee and all Noteholders and Couponholders.

The Trustee shall, subject to the Issuer's compliance with Conditions 7(l)(i), 7(l)(ii) and 7(l)(iii) and the provision of the certificate signed by two Directors of the Issuer as referred to in the definition of Loss Absorption Compliant Notes, and at the expense and cost of the Issuer, use reasonable endeavours to assist the Issuer in any substitution or variation of the Notes in accordance with this provision, except that the Trustee shall not be obliged to assist in any such substitution or variation if either such substitution or variation itself or the terms of the proposed Loss Absorption Compliant Notes would, in the Trustee's opinion, impose more onerous obligations upon it or expose the Trustee to any additional duties, responsibilities or liabilities in any respect or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any respect.

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

- (m) *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(a) (*Redemption at Maturity*), 7(b) (*Redemption for Tax Reasons*), 7(c) (*Redemption at the Option of the Issuer (Issuer Call)*), 7(d) (*Clean-up Call*) or 7(e) (*Redemption at the Option of the Noteholders (Senior Preferred Notes and Senior Non-Preferred Notes only) (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) 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(h)(ii) (*Early Redemption Amounts*) 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 Notes has been received by the Principal Paying Agent, the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

(n) *Definitions*

As used in these Conditions:

“Capital Adequacy Regulations” means, at any time, any requirement contained in the law, regulations, requirements, guidelines and policies then in effect relating to capital adequacy and prudential supervision and applicable to the Issuer, including (without limitation to the generality of the foregoing), those applicable laws, regulations, requirements, guidelines and policies relating to capital adequacy and prudential supervision then in effect of the United Kingdom or the relevant Supervisory Authority;

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

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

- (i) such securities are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
- (ii) such securities and any relative coupons rank (or, if guaranteed by the Issuer, benefit from a guarantee that ranks) as part of the class of secondary non-preferential debts under the Ranking Legislation;
- (iii) (subject to (ii) above) such securities have terms not materially less favourable to Noteholders and Couponholders than the terms of the Notes and relative Coupons (as reasonably determined by the Issuer in consultation with an independent adviser of recognised standing);
- (iv) (without prejudice to paragraph (iii) above) such securities: (1) contain terms such that they comply with the then applicable Loss Absorption Regulations in order to be eligible to qualify in full towards the Issuer’s minimum requirements (on an individual or consolidated basis) for own funds and eligible liabilities and/or loss absorbing capacity instruments; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same interest payment dates; (3) do not contain terms providing for deferral of payments of interest and/or principal; (4) preserve the obligations (including the obligations arising from the exercise of any right of a Noteholder) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) do not contain terms providing for loss absorption through principal write-down or conversion to common equity tier 1 instruments (provided that any contractual acknowledgement of statutory loss absorption or resolution powers pursuant to the Loss Absorption Regulations shall not be prohibited by this Condition); and (6) preserve any existing rights to any accrued and unpaid

interest and any other amounts payable under the relevant Notes and any relative Coupons which has accrued to Noteholders or Couponholders and not been paid;

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

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

“Regulatory Approval” means, at any time, such approval, consent, prior permission or non-objection from, or notification required within prescribed periods to, the relevant Supervisory Authority, or such waiver of the then prevailing Capital Adequacy Regulations and/or Loss Absorption Regulations from the relevant Supervisory Authority, as is required under the then prevailing Capital Adequacy Regulations and/or Loss Absorption Regulations (as applicable) at such time;

“Regulatory Event” means, as a result of any change (or pending change which the Supervisory Authority considers to be sufficiently certain) in the regulatory classification of the Notes which becomes effective after the Issue Date of the latest Tranche of the Notes and that results, or would be likely to result, in:

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

“Regulatory Pre-conditions” means in relation to any redemption of the Notes pursuant to Conditions 7(b) (*Redemption for Tax Reasons*), 7(c) (*Redemption at the Option of the Issuer (Issuer Call)*), 7(d) (*Clean-up Call*) or 7(f) (*Regulatory Event Redemption of Subordinated Notes*) or a purchase of the Notes pursuant to Condition 7(i) (*Purchases*):

- (i) the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that either:
 - (A) the Issuer has (or before or at the same time as the relevant redemption or purchase will have) replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (B) the own funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed its minimum requirements (including any buffer requirements) by a margin that the relevant Supervisory Authority considers necessary at such time; and
- (ii) in the case of any redemption or purchase prior to the fifth anniversary of the Issue Date of the latest Tranche of the Notes:
 - (A) in the case of redemption upon a Tax Event, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date of such latest Tranche;

- (B) in the case of redemption upon the occurrence of a Regulatory Event, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the relevant change in the regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Issue Date of such latest Tranche;
- (C) in the case of a purchase pursuant to Condition 7(i), the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the Issuer has (or before or at the same time as the relevant purchase will have) replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the relevant Supervisory Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
- (D) the Notes being purchased for market-making purposes in accordance with the prevailing Capital Adequacy Regulations,

provided that if at the time of such redemption or purchase, the prevailing Capital Adequacy Regulations permit the redemption or purchase only after compliance with one or more additional or alternative pre-conditions to those set out above, the relevant redemption or purchase shall be conditional upon the Issuer having complied (in addition or in the alternative, as the case may be) with such additional and/or alternative pre-condition(s);

“Supervisory Authority” means, from time to time, the Prudential Regulation Authority (“PRA”), the Bank of England, any successor or replacement thereto or such other authority (whether of the UK, the EU or elsewhere) having primary responsibility for the prudential oversight and supervision of the Issuer and/or for resolution matters concerning the Issuer and/or its group, as may be relevant in the context; and

“Tax Law Change” means an introduction or change, or change in official interpretation or application, of any laws, regulations, pronouncements, judicial decisions, standards or guidelines which change becomes effective on or after the date of issue of the first Tranche of the relevant Notes.

8 Taxation

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will:

- (i) if this Note is a Senior Preferred Note, in respect of payments of interest (if any) or principal; or
- (ii) if this Note is a Subordinated Note or a Senior Non-Preferred Note, in respect of payments of interest (if any) only,

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 otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Certificate or Coupon presented for payment:

- (a) by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Certificate or Coupon by reason of their having some connection with a Tax Jurisdiction other than the mere holding of such Note, Certificate or Coupon; or

- (b) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f) (*Payment Day*));

As used in these Terms and Conditions:

- (i) “Tax Jurisdiction” means the UK or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal 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 Noteholders in accordance with Condition 15 (*Notices*).

For the avoidance of doubt, if this Note is a Subordinated Note or a Senior Non-Preferred Note the Issuer will not pay any additional amounts in respect of principal of such Note, and payments of principal on such notes will be made net of such additional amounts.

9 Prescription

Claims will become prescribed (in the case of principal) after 10 years and (in the case of interest) after five years after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

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 or Condition 6(b) (*Presentation of Definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 6(b).

10 Events of Default

(a) Senior Preferred Notes

This Condition 10(a) only applies if this Note is a Senior Preferred Note, and references in this Condition 10(a) to the Notes shall be construed accordingly.

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 Noteholders shall (subject in each case to being indemnified and/or pre-funded and/or secured to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (determined in accordance with Condition 7(h) (*Early Redemption Amounts*)) plus accrued interest as provided in the Trust Deed, if any of the following events (each an “Event of Default”) shall occur:

- (i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or
- (ii) if default is made by the Issuer in the performance or observance of any Condition or provision binding on the Issuer under the Notes or the Trust Deed and (except in any case where the default is, in the opinion of the Trustee, incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) such default continues for 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) if:
 - (1) any payment aggregating an amount of at least £10,000,000 (or its equivalent in any other currency or currencies) in respect of the principal of or any premium of or interest on any

Indebtedness for Moneys Borrowed of the Issuer or any Material Subsidiary is not made on its due date (or by the expiry of any applicable grace period therefor); or

- (2) any Indebtedness for Moneys Borrowed of the Issuer or any Material Subsidiary having an outstanding aggregate principal amount of at least £10,000,000 (or its equivalent in any other currency or currencies) becomes due and payable prior to its stated maturity by reason of default; or
 - (3) if any guarantee of or indemnity in respect of any payment aggregating an amount of at least £10,000,000 (or its equivalent in any other currency or currencies) in respect of any Indebtedness for Moneys Borrowed of any third party given by the Issuer or any Material Subsidiary is not honoured when due and called upon (or by the expiry of any applicable grace period therefor); or
- (iv) if an administrator or other similar official is appointed in relation to the Issuer or any Material Subsidiary or in relation to the whole or, in the opinion of the Trustee, a material part of the assets of any of them or if an encumbrancer takes possession of, or an administrative or other receiver is appointed in relation to, the whole or, in the opinion of the Trustee, any material part of the assets of the Issuer or a Material Subsidiary or a distress or execution is levied or enforced upon or sued out against the whole or, in the opinion of the Trustee, any material part of the assets of the Issuer or a Material Subsidiary and, in any such case, is not discharged within 60 days; or
- (v) if, except for the purposes of or pursuant to a Permitted Transfer (as defined below):
- (1) the Issuer stops payment to its creditors generally or, in the opinion of the Trustee, ceases to carry on the whole or substantially the whole of its business; or
 - (2) the Supervisory Authority presents a petition for the winding up of the Issuer or an effective resolution, instrument of dissolution or award for dissolution is passed, entered into or made or an order is made or an effective resolution is passed for the winding up or the dissolution of the Issuer or the Issuer is wound up or dissolved in any other manner; or
 - (3) an order is made pursuant to the Act the effect of which is to prevent the Issuer from accepting the deposit of, or otherwise borrowing, any money or from accepting any payment representing the whole or any part of the amount due by way of subscription for a share in the Issuer, other than a payment which fell due before the making of the said order; or
 - (4) the Issuer's authorisation under the Act is revoked or is not renewed or the registration of the Issuer as a building society is suspended or cancelled or the Issuer requests any such suspension or cancellation; or
 - (5) the Issuer amalgamates with, or transfers the whole or, in the opinion of the Trustee, a material part of its engagements or its business to another person or Skipton Group Holdings Limited amalgamates with, or transfers the whole or a part of its undertaking or its business to another person which part is, in the opinion of the Trustee, material in the context of the engagements or undertaking or business of the Issuer and Skipton Group Holdings Limited as a whole; or
 - (6) the Issuer gives notice in writing that it wishes to cease to be permitted under Part IV of the Financial Services and Markets Act 2000 (the "FSMA") to accept the deposit of, or otherwise borrow, any money; or
- (vi) if, except for the purposes of a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or for the purposes of a solvent winding up where the assets of a Material Subsidiary attributable directly or indirectly to the Issuer are distributed to any one or more of the Issuer and the other Subsidiaries which are, or would as a result become, Material Subsidiaries:

- (1) a Material Subsidiary stops payment to its creditors generally or, in the opinion of the Trustee, ceases to carry on the whole or substantially the whole of its business; or
- (2) an order is made by any competent court or resolution is passed for the winding up or dissolution of any Material Subsidiary,

PROVIDED, in the case of any Event of Default other than those described in Conditions 10(a)(i) (above and 10(a)(v)(2) above, the Trustee shall have certified to the Issuer that the Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders.

For the purposes of this Condition 10 (*Events of Default*):

- (i) “Indebtedness for Moneys Borrowed” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (1) money borrowed, (2) liabilities under or in respect of any acceptance or acceptance credit or (3) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;
- (ii) a “Material Subsidiary” shall mean any Subsidiary of the Issuer whose:
 - (1) total assets (attributable to the Issuer) are equal to 10 per cent. or more of the consolidated total assets of the Issuer and its Subsidiaries; or
 - (2) gross income (attributable to the Issuer) is equal to 10 per cent. or more of the Consolidated Revenue (as defined in the Trust Deed),

all as more particularly defined in the Trust Deed and a certificate addressed to the Trustee) by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties; and
- (iii) a “Permitted Transfer” shall mean:
 - (1) an amalgamation of the Issuer and one or more other building societies under section 93 of the Act; or
 - (2) a transfer by the Issuer of all or substantially all (being 90 per cent. or more of the Issuer’s engagements including its obligations under the Notes, the Trust Deed and the Agency Agreement) or (on terms which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders) any smaller part of its engagements under section 94 of the Act; or
 - (3) a transfer by the Issuer of its business to a company under sections 97 to 102D of the Act; or
 - (4) an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to that of an institution authorised under the FSMA or to a body which is regulated on a similar basis to an institution authorised under the FSMA; or
 - (5) any other reconstruction or amalgamation or transfer to a subsidiary of another mutual society pursuant to the 2007 Act the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders.

(b) *Subordinated Notes and Senior Non-Preferred Notes*

This Condition 10(b) only applies if this Note is a Subordinated Note or a Senior Non-Preferred Note, and references in this Condition 10(b) to Notes shall be construed accordingly.

- (i) *Non-payment when due:* In the event of a default being made for a period of 14 days or more in payment of any principal or interest due on the Notes or any of them, in each case as and when the same ought to be paid, the Trustee may, in order to enforce the obligations of the Issuer under the Trust Deed, the Notes and Coupons, at its discretion without further notice, institute proceedings for the winding up of the Issuer in England (but not elsewhere) and/or prove in any winding up of the Issuer (whether in England or elsewhere), but may take no other action (save as provided in Condition 10(b)(iii)) in respect of such default.
- (ii) *Enforcement:* The Trustee may institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed or the Notes and the relative Coupons (other than any obligation for the payment of any principal or interest in respect of the Notes and Coupons) provided that the Issuer shall not by virtue of the institution of any such proceedings (other than proceedings for the winding up of the Issuer) be obliged to pay any sum or sums representing principal or interest or any other amounts in respect of the Notes or Coupons sooner than the same would otherwise have been payable by it.
- (iii) *Winding up or dissolution:* In the event of the commencement of the winding up of the Issuer or the commencement of the dissolution of the Issuer (except in any such case as provided in an Excluded Dissolution), the Trustee at its discretion may give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their Early Redemption Amount (determined in accordance with Condition 7(h) (*Early Redemption Amounts*)) plus any accrued and unpaid interest as provided in the Trust Deed.

11 Enforcement

(a) *Enforcement in respect of Senior Preferred Notes*

This Condition 11(a) only applies if this Note is a Senior Preferred Note, and references in this Condition 11(a) to the Notes shall be construed accordingly.

The Trustee may, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Notes or the Trust Deed, but it shall not be bound to take any such proceedings or any other action in relation to the Notes or under the Trust Deed unless (1) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding, and (2) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed as aforesaid, (1) fails to do so within a reasonable time, or (2) is unable for any reason so to do, and such failure or inability is continuing.

(b) *Enforcement in respect of Subordinated Notes and Senior Non-Preferred Notes*

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

- (i) *Payment default:* Upon the occurrence of any payment default as described in Condition 10(b)(i) or if proceedings are commenced for the winding up or dissolution of the Issuer the Trustee may at its discretion institute proceedings for the winding up of the Issuer in England (but not elsewhere) and/or (as the case may be) prove in any winding up or dissolution of the Issuer (in England or elsewhere) but may take no further action to enforce the obligations of the Issuer for payment of any principal or interest in respect of the Notes.

- (ii) *Default in other obligations:* Without prejudice to Condition 11(b)(i) above, the Trustee may institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed or the Notes and the relative Coupons (other than any obligation for the payment of any principal or interest in respect of the Notes and Coupons) provided that the Issuer shall not by virtue of the institution of any such proceedings (other than proceedings for the winding up of the Issuer) be obliged to pay any sum or sums representing principal or interest or any other amounts in respect of the Notes or Coupons sooner than the same would otherwise have been payable by it.
- (iii) *Rights of Trustee:* The Trustee shall not be bound to take any such proceedings as are referred to in Conditions 11(b)(i) or (ii) above unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.
- (iv) *Rights of Noteholders:* No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time or is unable to do so, and such failure or inability is continuing, in which case the Noteholder or, as the case may be, Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise with respect to any Note or Coupon held by such holder. No Noteholder or Couponholder shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in any winding up of the Issuer, unless the Trustee, having become bound to proceed against the Issuer as aforesaid, fails so to do within a reasonable time and such failure is continuing, or being able to prove in any winding up of the Issuer fails so to do, in which event any such holder may on giving an indemnity satisfactory to the Trustee in the name of the Trustee (but not otherwise) himself or herself institute proceedings for the winding up in England of the Issuer and/or prove in any winding up of the Issuer to the same extent (but not further or otherwise) to which the Trustee would have been entitled so to do in respect of any Note or Coupon held by such holder. No remedy against the Issuer, other than the institution of proceedings for the winding up of the Issuer and/or the proving or claiming in any winding up of the Issuer, shall be available to the Trustee or the Noteholders or Couponholders for the recovery of amounts owing in respect of the Notes or under the Trust Deed (including any damages awarded for breach by the Issuer of any of its obligations under the Notes, the Coupons or the Trust Deed).
- (v) *Extent of remedies:* No remedy against the Issuer in respect of any breach by it of any obligations under the Notes or the Trust Deed shall be available to the Trustee (but without prejudice to Condition 11(c) below) or the Noteholders or Couponholders, other than as is expressly provided in this Condition 11(b).
- (c) Nothing in this Condition 11 (*Enforcement*) shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

12 Replacement of Notes, Certificates, Coupons and Talons

Should any Note, Certificate Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Certificates) 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, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13 Agents

The names of the initial Agents and their initial 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 applicable Final Terms.

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

- (a) there will at all times be a Principal Paying Agent and 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 and a Transfer Agent each with a specified office in such place as may be required by the rules and regulations of the relevant competent authority or the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e) (*General Provisions Applicable to Payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain limited circumstances specified in the Agency Agreement, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any 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 agent.

14 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 Principal 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 (*Prescription*).

15 Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily national newspaper of general circulation in the UK. It is expected that such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. 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 the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes or Global Certificates representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system(s), be substituted for such publication in such newspaper(s) or such website(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and or such other clearing system(s), as applicable, for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant

authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system(s), as applicable.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system(s), as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system, as the case may be, may approve for this purpose.

16 Meetings of Noteholders, Modification and Waiver

(i) Meeting of Noteholders, etc.

The Trust Deed contains provisions for convening meetings of the Noteholders (including as a physical meeting or by way of any electronic platform (such as conference call or videoconference) or a combination of any such methods) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or these Terms and Conditions or any of the provisions of the Trust Deed.

Such a meeting may be convened by the Issuer or the Trustee or by Noteholders holding not less than five 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 Noteholders 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, the Coupons, these Terms and Conditions 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 by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution (including those who voted against the resolution), and on all Couponholders.

The Trust Deed also provides that (i) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the relevant Notes for the time being outstanding, or (ii) consent given by way of electronic consents through the relevant clearing systems by or on behalf of the holders of not less than three-fourths in nominal amount of the relevant Notes for the time being outstanding, shall in each case also be effective as an Extraordinary Resolution, binding on all Noteholders and Couponholders, whether or not they voted in favour of the relevant resolution.

(ii) Modification and Waiver

The Trustee may without the consent of the Noteholders or Couponholders:

- (i) agree to any modification of any of the provisions of the Notes, the Coupons, these Terms and Conditions or the Trust Deed or any waiver or authorisation of any breach or proposed breach of any of these Terms and Conditions or any provision 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, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders; or

- (ii) agree to any modification of the Notes, the Coupons, these Terms and Conditions or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendment, Benchmark Replacement Conforming Changes or any other amendments in accordance with (and subject as provided in) Condition 5(f) (*Benchmark Discontinuation*) without the consent of Noteholders or Couponholders.

If this Note is a Senior Non-Preferred Note, the Trustee shall also be obliged to concur with the Issuer in effecting any substitution or variation of the Notes as set out in (and subject to the terms of) Condition 7(k) (*Pre-conditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes*) without the consent of the Noteholders or Couponholders.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and any such modification shall, unless the Trustee agrees otherwise, be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

- (iii) *Regulatory compliance*

If this Note is a Senior Non-Preferred Note or a Subordinated Note, any amendment, modification or substitution of the Notes or the Trust Deed and any substitution of the Issuer shall, to the extent required by the Supervisory Authority, be conditional upon the Issuer having obtained such Regulatory Approval therefor as may then be required and otherwise complying with the Capital Adequacy Regulations and/or Loss Absorption Regulations (as applicable) at such time.

- (iv) *Trustee to have regard to interests of Noteholders as a class*

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination under this Condition or substitution under Condition 17 (*Substitution*)), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders 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 territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder 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 Noteholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

17 Substitution

- (i) If the Issuer shall amalgamate with one or more other building societies under section 93 of the Act or transfer all or substantially all (being 90 per cent. or more of the Issuer's engagements including its obligations under the Notes, the Trust Deed and the Agency Agreement) of its engagements to another building society under section 94 of the Act or transfer its business to a successor in accordance with sections 97 to 102D of the Act, the successor will, pursuant to such provisions, but subject to the proviso below, automatically be substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and Coupons without any prior

approval thereof being required from the Noteholders, the Couponholders or the Trustee and references to the Issuer shall be construed accordingly, provided that (in the case of Subordinated Notes and Senior Non-Preferred Notes in the case of a proposed transfer in accordance with section 97 of the Act and other such applicable provisions):

- (i) either (A) the Issuer satisfies the Trustee that the successor will be or (as the case may be) remain an authorised institution under the FSMA (or any statutory modification or re-enactment thereof) or (B) such transfer is approved by an Extraordinary Resolution of the Noteholders;
- (ii) in connection with such transfer, any variation or supplement to these Conditions must be limited to dealing with matters arising out of the procedure by which the transfer takes place and the constitution of the transferee and must not vary or supplement these Conditions in a manner which would or might cause any of the financial resources derived by the Issuer from the issue of the Notes to which the Trust Deed relates and which comprise Tier 2 Capital to be excluded from the financial resources considered appropriate by the Supervisory Authority for the purposes of paragraph 4(1) of Schedule 6 of the FSMA;
- (iii) the Issuer shall provide the Trustee with a certificate signed by two Directors confirming that the pre-conditions referred to in paragraphs (i) and (ii) above have been satisfied and, immediately following any such substitution, would remain satisfied. The Trustee shall be fully entitled to accept and rely upon any such certificate without liability to any person and where the Trustee chooses to accept any such certificate it will be conclusive and binding on all interested parties (including the Noteholders and Couponholders);
- (iv) any such variation or supplement to the Conditions referred to in paragraph (ii) above shall be effected (at the expense of the Issuer) by the execution of a trust deed supplemental to the Trust Deed and shall bind any successor as fully as if the successor had been named in the Trust Deed as principal debtor in place of the Issuer. A memorandum of any such supplemental trust deed shall be endorsed by the Trustee on the Trust Deed and by the Issuer on the duplicate of the Trust Deed. Without prejudice to the foregoing, the Trustee shall have no obligation to enter into any such supplemental trust deed where, in the Trustee's sole opinion, it would incur additional obligations or its rights or protections would be in any way reduced;
- (v) no variation or supplement to the terms of the Trust Deed or of these Conditions shall be made which would or might cause:
 - (A) any qualifying own funds or capital resources of the Issuer for the purposes of the Capital Adequacy Regulations prevailing at that time to be excluded from such own funds or capital resources; or
 - (B) any liabilities of the Issuer which, for the purposes of the Loss Absorption Regulations prevailing at that time, qualify towards the Issuer's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments to be excluded from such minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments.
- (ii) Without prejudice to Condition 17(i) (*Substitution*) above and subject as provided in the Trust Deed, the Trustee may agree, without the consent of the Noteholders or Couponholders, if it is satisfied that so to do would not be materially prejudicial to the interests of the Noteholders, to the transfer of the Issuer's business to a subsidiary of another mutual society pursuant to the 2007 Act or the substitution of either a Successor in Business to the Issuer (as defined in the Trust Deed) or a Subsidiary of the Issuer or a subsidiary of a Successor in Business to the Issuer, not being in any case a building society formed by the amalgamation of the Issuer and one or more other building societies pursuant to section 93 of the Act or a building society to which the Issuer has transferred its engagements pursuant to section 94 of the Act or the successor in

accordance with section 97 or other applicable provisions of the Act, in place of the Issuer as principal debtor under the Trust Deed, the Notes and Coupons, provided that in the case of a substitution of a company which is a Subsidiary of the Issuer or a subsidiary of the Successor in Business to the Issuer, the obligations of such substitute in respect of the Trust Deed, the Notes and Coupons shall be guaranteed by the Issuer or the Successor in Business to the Issuer, as the case may be, in such form as the Trustee may require and provided further that (in the case of Subordinated Notes) the obligations of such Successor in Business to the Issuer or Subsidiary of the Issuer or subsidiary of a Successor in Business to the Issuer, as the case may be, and any such guarantee shall be subordinated on a basis considered by the Trustee to be equivalent to that in respect of the Issuer's obligations in respect of the Notes and Coupons.

- (iii) Any substitution referred to in Conditions 17(i) (*Substitution*) and (ii) above shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders by the Issuer as soon as practicable thereafter in accordance with Condition 15 (*Notices*). In the case of Notes listed on the Official List of the Financial Conduct Authority, in the event of such substitution, a new prospectus will, if so required, be prepared in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended, or such other prospectus rules as may then be applicable.

18 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders 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 the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19 Contracts Rights of Third Parties

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

20 Governing Law and Submission to Jurisdiction

(a) Governing law

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) Submission to jurisdiction

- (i) Subject to Condition 20(b)(iii) (*Submission to Jurisdiction*) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a "Dispute") and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (ii) For the purposes of this Condition 20(b) (*Submission to Jurisdiction*), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

- (iii) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

21 Recognition of UK Bail-in Power

- (i) Notwithstanding, and to the exclusion of, any other term of the Notes or any other agreements, arrangements or understandings between the Issuer and any Noteholder (or the Trustee on behalf of any Noteholder), by its acquisition of any Note (or any beneficial interest in a Note), each Noteholder (or holder of a beneficial interest in any Note) acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of the UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents, and agrees to be bound by:
 - (i) the effect of the exercise of the UK Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due;
 - (B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
 - (C) the cancellation of the Notes; and/or
 - (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
 - (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.
- (ii) No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.
- (iii) Neither a reduction or cancellation, in part or in full, of the Amounts Due or the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes will be a default or an event of default for any purpose.
- (iv) Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall promptly give notice to the Trustee, the Registrar (if applicable) and the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Any delay or failure by the Issuer in delivering any notice referred to in this Condition shall not affect the validity and enforceability of the UK Bail-in Power or constitute a default under the terms of the Notes or the Trust Deed or for any other purpose.
- (v) For the purposes of this Condition 21:
 - (i) “Amounts Due” means the principal amount of, and any accrued but unpaid interest on, the Notes. References to such amounts will include (but will not be limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of the UK Bail-in Power by the Resolution Authority;

- (ii) “Resolution Authority” means the Bank of England or any successor or replacement thereto and/or such other authority in the United Kingdom with the ability to exercise the UK Bail-in Power;
- (iii) “UK Bail-in Power” means any write-down, conversion, transfer, modification, moratorium and/or suspension power (including, without limitation, any write-down or conversion powers which may be exercised by the Resolution Authority independently of resolution proceedings) existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, building societies, financial holding companies, mixed financial holding companies, credit institutions and/or investment firms (and/or any group company of any of the foregoing) incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of its group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a resolution regime in the United Kingdom under the Banking Act 2009 and/or the Loss Absorption Regulations, in each case as amended from time to time; and
- (vi) references to any “Note” or “Noteholder” shall be deemed to include reference to any “Coupon” or “Couponholder”, respectively, where the context admits.

SCHEDULE 2

FORMS OF GLOBAL AND DEFINITIVE NOTES AND CERTIFICATES, COUPONS AND TALONS

PART 1

FORM OF TEMPORARY BEARER GLOBAL NOTE

SKIPTON BUILDING SOCIETY

(the **Issuer**)

(incorporated in England under the Building Societies Act 1986)

TEMPORARY BEARER GLOBAL NOTE

This temporary Global Note is issued in respect of the Notes (the **Notes**) of the Tranche and Series specified in Schedule 2 hereto of the Issuer.

Interpretation and Definitions

References in this temporary Global Note to the **Conditions** are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 1 to the Trust Deed (as modified and/or supplemented and/or restated as at the Issue Date, the **Trust Deed**) dated 7 December 2000 between the Issuer and The Bank of New York Mellon, London Branch as trustee, as supplemented and/or modified and/or superseded by the provisions of this temporary Global Note (including the supplemental definitions and any modifications or additions set out in Schedule 2 hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this temporary Global Note shall have the meanings given to them in the Conditions or the Trust Deed. Schedule 2 hereto will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Aggregate Nominal Amount

If the applicable Final Terms indicates that this temporary Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this temporary 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 temporary Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this temporary 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 temporary Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the applicable Final Terms indicates that this temporary Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this temporary 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 fourth column of Schedule 1 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 temporary Global Note the Issuer shall procure that:

- (a) if the applicable Final Terms indicates that this temporary 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 temporary Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or

- (b) if the applicable Final Terms indicates that this temporary 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 1 and the relevant space in Schedule 1 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 the Notes represented by this temporary Global Note shall be reduced by the nominal amount of the Notes so redeemed or purchased and cancelled.

Promise to Pay

Subject as provided herein, the Issuer, for value received, promises to pay to the bearer of this temporary Global Note, upon presentation and (when no further payment is due in respect of this temporary Global Note) surrender of this temporary Global Note to or to the order of the Principal Paying Agent or of any other Paying Agent provided for in the Conditions, on the Maturity Date (or on such earlier date as the Notes may become repayable in accordance with the Conditions and the Trust Deed) the amount payable in respect of the aggregate nominal amount of Notes represented by this temporary Global Note and (unless this temporary Global Note does not bear interest) to pay interest in respect of such aggregate nominal amount of Notes from the Interest Commencement Date in arrear at the rates in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, all subject to and in accordance with the Conditions.

Exchange

On or after the Exchange Date, the outstanding nominal amount of this temporary Global Note may be exchanged for Definitive Bearer Notes in accordance with the next paragraph.

On or after the first day following the expiry of 40 days after the Issue Date (the **Exchange Date**), this temporary Global Note may be exchanged (free of charge to the holder) in whole or (where Schedule 2 states that the TEFRA D rules apply) from time to time in part by its presentation and, on exchange in full, surrender to or to the order of the Principal Paying Agent for (a) either (if the Final Terms indicates that this temporary Global Note is intended to be a New Global Note) interests recorded in the record of the relevant Clearing Systems in a permanent Global Note or (if the Final Terms indicates that this temporary Global Note is not intended to be a New Global Note) a permanent Global Note or (b), if so specified in Schedule 2 hereto, for Definitive Bearer Notes provided that, in the case of any part of a Note issued in compliance with TEFRA D submitted for exchange for a permanent Global Note or Definitive Bearer Notes, there shall have been Certification with respect to such nominal amount submitted for such exchange dated no earlier than the Exchange Date.

Certification means the presentation to the Principal Paying Agent of a certificate or certificates with respect to one or more interests in this temporary Global Note, signed by Euroclear or Clearstream, Luxembourg, to the effect that it has received a certificate or certificates of non-US beneficial ownership in the form required by it with respect thereto and that no contrary advice as to the contents thereof has been received by Euroclear or Clearstream, Luxembourg, as the case may be.

Upon the whole or a part of this temporary Global Note being exchanged for a permanent Global Note, such permanent Global Note shall be exchangeable in accordance with its terms for Definitive Bearer Notes.

The Definitive Bearer Notes for which this temporary Global Note or a permanent Global Note may be exchangeable shall be duly executed and authenticated, shall, in the case of Definitive Bearer Notes, have attached to them all Coupons (and, where appropriate, Talons) in respect of interest that have not already been

paid on this temporary Global Note or the permanent Global Note, as the case may be, shall be security printed or, in the case of Certificates, printed in accordance with applicable legal and stock exchange requirements and shall be substantially in the forms set out in Schedule 2 to the Trust Deed as supplemented by the terms of Schedule 2 hereto.

On any exchange of the whole of this temporary Global Note, this temporary Global Note shall be surrendered to or to the order of the Principal Paying Agent. On an exchange of part only of this temporary Global Note, the Issuer shall procure that:

- (a) if the applicable Final Terms indicates that this temporary Global Note is intended to be a New Global Note, details of such exchange shall be entered *pro rata* in the records of the relevant Clearing Systems; or
- (b) if the applicable Final Terms indicates that this temporary 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 1 and the relevant space in Schedule 1 recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this temporary Global Note and the Notes represented by this temporary Global Note shall be reduced by the nominal amount so exchanged. On any exchange of this temporary Global Note for a permanent Global Note, details of such exchange shall also be entered by or on behalf of the Issuer in Schedule 1 to the permanent Global Note and the relevant space in Schedule 1 to the permanent Global Note recording such exchange shall be signed by or on behalf of the Issuer.

Benefit of Conditions

Except as otherwise specified herein and in the Conditions and the Trust Deed, this temporary Global Note is subject to the Conditions and the Trust Deed and, until the whole of this temporary Global Note is exchanged for equivalent interests in a permanent Global Note or for Definitive Bearer Notes, as the case may be, the holder of this temporary Global Note shall in all respects be entitled to the same benefits as if it were the holder of the permanent Global Note (or the relevant part of it) or the Definitive Bearer Notes, as the case may be, for which it may be exchanged as if such permanent Global Note or Definitive Bearer Notes had been issued on the Issue Date.

Payments

No person shall be entitled to receive any payment in respect of the Notes represented by this temporary Global Note that falls due on or after the Exchange Date unless, upon due presentation of this temporary Global Note for exchange, delivery of (or, in the case of a subsequent exchange, due endorsement of) a permanent Global Note or delivery of Definitive Bearer Notes, as the case may be, is improperly withheld or refused by or on behalf of the Issuer.

Payments due in respect of a Note issued in compliance with TEFRA D before the Exchange Date shall only be made in relation to such nominal amount of this temporary Global Note with respect to which there shall have been Certification dated no earlier than such due date for payment.

If the applicable Final Terms indicates that this temporary Global Note is not intended to be a New Global Note, any payments that are made in respect of this temporary Global Note shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Principal Paying Agent or of any other Paying Agent provided for in the Conditions. Payments due in respect of Notes for the time being represented by this temporary Global Note shall be made to the bearer of this temporary 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.

Notices

Notices required to be given in respect of the Notes represented by this temporary Global Note may be given by their being delivered (so long as this temporary Global Note is held in its entirety on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of this temporary Global Note, rather than by publication as required by the Conditions. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system(s) or otherwise to the holder of this temporary Global Note, as applicable.

Accountholders

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this temporary Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 Paying Agents, the Registrar and the Transfer Agents 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, solely in the bearer of this temporary Global Note in accordance with and subject to the terms of this temporary Global Note and the Trust Deed.

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 temporary Global Note.

This temporary Global Note, and any non-contractual obligations arising out of or in connection with this temporary Global Note, is governed by, and shall be construed in accordance with, English law and the Issuer has in the Trust Deed submitted to the jurisdiction of the courts of England for all purposes in connection with this temporary Global Note.

This temporary Global Note shall not be valid unless authenticated by The Bank of New York Mellon, London Branch, as Principal Paying Agent and, if the Final Terms indicates that this Global Note is intended to be a New Global Note (a) which is intended to be held in a manner which would allow Eurosystem eligibility or (b) in respect of which 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 temporary Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date.

SKIPTON BUILDING SOCIETY

By:

Duly Authorised

By:

Duly Authorised

Authenticated by
The Bank of New York Mellon, London Branch,
as Principal Paying Agent.

By:

Authorised Officer

¹Effectuated without recourse,
warranty or liability by

as common safekeeper

By:

¹ This should only be completed where the Final Terms indicates that this temporary Global Note is intended to be a New Global Note in respect of which effectuation is to be applicable.

SCHEDULE 1¹

NOMINAL AMOUNT OF NOTES REPRESENTED BY THIS TEMPORARY GLOBAL NOTE

The following (a) issue of Notes initially represented by this temporary Global Note, (b) exchanges of the whole or a part of this temporary Global Note for interests in a permanent Global Note or for Definitive Bearer Notes and/or (c) cancellations or forfeitures of interests in this temporary Global Note have been made, resulting in the nominal amount of this temporary Global Note specified in the latest entry in the fourth column below:

| Date | Amount of decrease in nominal amount of this temporary Global Note | Reason for decrease in nominal amount of this temporary Global Note (exchange, cancellation or forfeiture) | Nominal amount of this temporary Global Note on issue or following such decrease | Notation made by or on behalf of the Principal Paying Agent |
|-------------|---|---|---|--|
| Issue Date | not applicable | not applicable | | |

[Insert the provisions of the applicable Final Terms that relate to the Conditions or the Global Notes as Schedule 2]

¹ Schedule 1 should only be completed where the Final Terms indicates that this temporary Global Note is not intended to be a New Global Note.

SCHEDULE 2

[Applicable Final Terms to be inserted]

FORM OF PERMANENT BEARER GLOBAL NOTE

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

SKIPTON BUILDING SOCIETY

(the **Issuer**)

(incorporated in England under the Building Societies Act 1986)

PERMANENT BEARER GLOBAL NOTE

This permanent Global Note is issued in respect of the Notes (the **Notes**) of the Tranche and Series specified in Schedule 4 hereto of the Issuer.

Interpretation and Definitions

References in this permanent Global Note to the **Conditions** are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 1 to the Trust Deed (as modified and/or supplemented and/or restated as at the Issue Date, the **Trust Deed**) dated 7 December 2000 between the Issuer and The Bank of New York Mellon, London Branch as trustee, as supplemented and/or modified and/or superseded by the provisions of this permanent Global Note (including the supplemental definitions set out in Schedule 4 hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this permanent Global Note shall have the meanings given to them in the Conditions or the Trust Deed.

Aggregate Nominal Amount

If the applicable Final Terms indicates that this permanent Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this permanent 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 permanent Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this permanent 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 permanent Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the applicable Final Terms indicates that this permanent Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this permanent 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 fourth column of Schedule 1 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 permanent Global Note the Issuer shall procure that:

- (a) if the applicable Final Terms indicates that this permanent 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

¹ Delete where the original maturity of the Notes is 365 days or less.

represented by this permanent Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or

- (b) if the applicable Final Terms indicates that this permanent 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 1 and the relevant space in Schedule 1 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 the Notes represented by this permanent Global Note shall be reduced by the nominal amount of the Notes so redeemed or purchased and cancelled.

Where the Notes have initially been represented by one or more temporary Global Notes, on any exchange of any such temporary Global Note for this permanent Global Note or any part of it, the Issuer shall procure that:

- (i) if the applicable Final Terms indicates that this permanent 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; or
- (ii) if the applicable Final Terms indicates that this permanent 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 1 and the relevant space in Schedule 1 recording any such exchange shall be signed by or on behalf of the Issuer. Upon any such exchange, the nominal amount of the Notes represented by this Global Note shall be increased by the nominal amount of the Notes so exchanged.

In certain circumstances further notes may be issued which are intended on issue to be consolidated and form a single Series with the Notes. In such circumstances the Issuer shall procure that:

- (i) if the applicable Final Terms indicates that this permanent Global Note is intended to be a New Global Note, details of such further notes may be entered in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this permanent Global Note may be increased by the amount of such further notes so issued; or
- (ii) if the applicable Final Terms indicates that this permanent Global Note is not intended to be a New Global Note, shall be entered by or on behalf of the Issuer in Schedule 1 and the relevant space in Schedule 1 recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of the Notes represented by this permanent Global Note shall be increased by the nominal amount of any such Temporary Global Note so exchanged.

Promise to Pay

Subject as provided herein, the Issuer, for value received, hereby promises to pay to the bearer of this permanent Global Note, upon presentation and (when no further payment is due in respect of this permanent Global Note) surrender of this permanent Global Note to or to the order of the Principal Paying Agent or of any other Paying Agent provided for in the Conditions, on the Maturity Date (or on such earlier date as the Notes may become repayable in accordance with the Conditions) the amount payable in respect of the aggregate nominal amount of Notes represented by this permanent Global Note and (unless this permanent Global Note does not bear interest) to pay interest in respect of such aggregate nominal amount of Notes from the Interest Commencement Date in arrear at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, all subject to and in accordance with the Conditions.

Exchange

This permanent Global Note is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not, except as provided in the next paragraph, in part for the Definitive Bearer Notes:

- (a) if Schedule 4 hereto provides that this permanent Global Note is exchangeable for Definitive Bearer Notes at the request of the holder, by such holder giving notice to the Principal Paying Agent of its election for such exchange; or
- (b) otherwise, (i) if this permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg and/or any other clearing system (an **Alternative Clearing System**) and each such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no successor clearing system is available or (ii) if principal in respect of any Notes is not paid when due (or within the originally applicable grace period), in each case by the holder giving notice to the Principal Paying Agent of its election for such exchange.

This permanent Global Note is exchangeable in part on one or more occasions (provided, however, that if this permanent Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, the rules of Euroclear and/or Clearstream, Luxembourg, as the case may be, so permit) for Definitive Notes if principal in respect of any Notes is not paid when due.

Exchange Date means a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System, are located.

Any such exchange may be effected on or after an Exchange Date by the holder of this permanent Global Note surrendering this permanent Global Note or, in the case of a partial exchange, presenting it for endorsement to or to the order of the Principal Paying Agent. In exchange for this permanent Global Note, or part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, duly executed and authenticated Definitive Bearer Notes in an aggregate nominal amount equal to the nominal amount of this permanent Global Note submitted for exchange (if appropriate, having attached to them all Coupons (and, where appropriate, Talons) in respect of interest that have not already been paid on this permanent Global Note), security printed.

On any exchange of a part of this permanent Global Note, the Issuer shall procure that:

- (i) if the applicable Final Terms indicates that this permanent 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; or
- (ii) if the applicable Final Terms indicates that this permanent 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 1 and the relevant space in Schedule 1 recording any such exchange shall be signed by or on behalf of the Issuer.

Upon any such exchange, the nominal amount of the Notes represented by this Global Note shall be decreased by the nominal amount of the Notes so exchanged.

Benefit of Conditions

Except as otherwise specified herein and in the Conditions and the Trust Deed, this permanent Global Note is subject to the Conditions and the Trust Deed and, until the whole of this permanent Global Note is exchanged for Definitive Bearer Notes, the holder of this permanent Global Note shall in all respects be entitled to the same benefits as if it were the holder of the Definitive Bearer Notes for which it may be exchanged and as if such Definitive Bearer Notes had been issued on the Issue Date.

Payments

No person shall be entitled to receive any payment in respect of the Notes represented by this permanent Global Note that falls due after an Exchange Date for such Notes, unless upon due presentation of this permanent Global Note for exchange, delivery of Definitive Bearer Notes is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Notes, nor shall any person be entitled to payment within the United States, but without prejudice to the provisions of the Conditions.

If the applicable Final Terms indicates that this temporary Global Note is not intended to be a New Global Note, payments in respect of this permanent Global Note shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Principal Paying Agent or of any other Paying Agent provided for in the Conditions.

Payments due in respect of Notes for the time being represented by this permanent Global Note shall be made to the bearer of this permanent Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make such entries referred to above shall not affect such discharge.

Prescription

Claims in respect of principal and interest in respect of this permanent Global Note shall become prescribed unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

Purchase

Notes may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the right to receive all future payments of interest thereon.

Issuer's Options

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

Noteholders' Options

Any option of the Noteholders provided for in the Conditions may be exercised by the holder of this permanent Global Note giving notice to the Principal Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions (which notice may be given in electronic form), except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, unless this permanent Global Note is a New Global Note, presenting this permanent Global Note to the Principal Paying Agent, or to a Paying Agent acting on behalf of the Principal Paying Agent, for notation accordingly in Schedule 3 hereto.

Notices

Notices required to be given in respect of the Notes represented by this permanent Global Note may be given by their being delivered (so long as this permanent Global Note is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of this permanent Global Note, rather than by publication as required by the Conditions. Any such notice shall be deemed to have been given to the holders

of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system(s) or otherwise to the holder of this permanent Global Note, as applicable.

Trustee's Powers

In considering the interests of Noteholders while this permanent Global Note is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to this permanent Global Note.

Accountholders

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this permanent Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 Paying Agents, the Registrar and the Transfer Agents 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, solely in the bearer of this permanent Global Note in accordance with and subject to the terms of this permanent Global Note and the Trust Deed.

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 permanent Global Note.

This permanent Global Note, and any non-contractual obligations arising out of or in connection with this permanent Global Note, is governed by, and shall be construed in accordance with, English law and the Issuer has in the Trust Deed submitted to the jurisdiction of the courts of England for all purposes in connection with this permanent Global Note.

This permanent Global Note shall not be valid unless authenticated by The Bank of New York Mellon, London Branch, as Principal Paying Agent and, if the applicable Final Terms indicates that this Global Note is intended to be in a manner a New Global Note (a) which is intended to be held in a manner which would allow Eurosystem eligibility or (b) in respect of which 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 permanent Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date.

SKIPTON BUILDING SOCIETY

By:

Duly Authorised

By:

Duly Authorised

Authenticated by
The Bank of New York Mellon, London Branch,
as Principal Paying Agent.

By:
Authorised Officer

¹Effectuated without recourse,
warranty or liability by

as common safekeeper

By:

¹ This should only be completed where the Final Terms indicates that this permanent Global Note is intended to be a New Global Note in respect of which effectuation is to be applicable.

SCHEDULE 1¹

Nominal amount of Notes represented by this permanent Global Note

The following (a) issues of Notes initially represented by this permanent Global Note, (b) exchanges of interests in a temporary Global Note for interests in this permanent Global Note, (c) exchanges of the whole or a part of this permanent Global Note for Definitive Bearer Notes, (d) cancellations or forfeitures of interests in this permanent Global Note and or (e) payments of principal in respect of this permanent Global Note have been made, resulting in the nominal amount of this permanent Global Note specified in the latest entry in the fourth column:

| Date | Amount of increase/decrease in nominal amount of this permanent Global Note | Reason for increase/decrease in nominal amount of this permanent Global Note (initial issue, exchange, cancellation forfeiture or payment, stating amount of payment made) | Nominal amount of this permanent Global Note following such increase/decrease | Notation made by or on behalf of the Principal Paying Agent |
|------|--|--|---|--|
|------|--|--|---|--|

¹ Schedule 1 should only be completed where the Final Terms indicates that this permanent Global Note is not intended to be a New Global Note.

SCHEDULE 2¹

Payments of Interest

The following payments of interest in respect of this permanent Global Note have been made:

| Due date of Payment | Date of payment | Amount of interest | Notation made by or on behalf of the Principal Paying Agent |
|----------------------------|------------------------|---------------------------|--|
|----------------------------|------------------------|---------------------------|--|

¹ Schedule 2 should only be completed where the Final Terms indicates that this permanent Global Note is not intended to be a New Global Note.

SCHEDULE 3¹

Exercise of Noteholders' Option

The following exercises of the option of the Noteholders provided for in the Conditions have been made in respect of the stated nominal amount of this permanent Global Note:

| Date of Exercise | Nominal amount of this permanent Global Note in respect of which exercise is made | Date of which Exercise of such Option is effective | Notation made by or on behalf of the Principal Paying Agent |
|-------------------------|--|---|--|
|-------------------------|--|---|--|

[Insert the provisions of the applicable Final Terms that relate to the Conditions or the Global Notes as Schedule 4.]

¹ Schedule 3 should only be completed where the Final Terms indicates that this permanent Global Note is not intended to be a New Global Note.

FORM OF DEFINITIVE BEARER NOTE

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

SKIPTON BUILDING SOCIETY

(the **Issuer**)

(incorporated in England under the Building Societies Act 1986)

[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 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 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 7 December 2000 and made between the Issuer and The Bank of New York Mellon, London Branch as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date or on such earlier date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Note and to pay interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by The Bank of New York Mellon, London Branch, as Principal Paying Agent.

¹ Delete where the original maturity of the Notes is 365 days or less.

IN WITNESS whereof this Note has been executed on behalf of the Issuer.

Issued as of the Issue Date.

SKIPTON BUILDING SOCIETY

By:
Duly Authorised

Authenticated by
The Bank of New York Mellon, London Branch,
as Principal Paying Agent.

By:
Authorised Officer

[Conditions]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Principal 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,
the Conditions which appears in the Final Terms
relating to the Notes]

FORM OF COUPON

On the front:

SKIPTON BUILDING SOCIETY

[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]].¹

Part A

[For Fixed Rate Notes:

This Coupon is payable to bearer, separately
negotiable and subject to the Terms and
Conditions of the said Notes.

Coupon for
[]
due on [], []]

Part B

[For Floating Rate Notes:

Coupon for the amount due in accordance with
the Terms and Conditions endorsed on,
attached to or incorporated by reference
into the said Notes on [the Interest Payment
Date falling in [] []/[]].

This Coupon is payable to bearer, separately
negotiable and subject to such Terms and
Conditions, under which it may become void
before its due date.]

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]²

¹ Delete where the Notes are all of the same denomination.

² Delete where the original maturity of the Notes is 365 days or less.

FORM OF TALON

On the front:

SKIPTON BUILDING SOCIETY

[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]]¹.

On and after [] further Coupons [and a further Talon]² appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]³

¹ Delete where the Notes are all of the same denomination.

² Not required on last Coupon sheet.

³ Delete where the original maturity of the Notes is 365 days or less.

On the back of Coupons and Talons:

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA

FORM OF GLOBAL CERTIFICATE

SKIPTON BUILDING SOCIETY

(the **Issuer**)

(incorporated in England under the Building Societies Act 1986)

GLOBAL CERTIFICATE

Registered Holder:

Address of Registered Holder:

Nominal amount of Notes
represented by this Global
Certificate:

This Global Certificate is issued in respect of the nominal amount specified above of the Notes (the **Notes**) of the Tranche and Series specified in the Schedule hereto of the Issuer. This Global Certificate certifies that the Registered Holder (as defined above) is registered as the holder of such nominal amount of the Notes at the date hereof.

Interpretation and Definitions

References in this Global Certificate to the **Conditions** are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 1 to the Trust Deed (as modified and/or supplemented and/or restated as at the Issue Date, the **Trust Deed**) dated 7 December 2000 between the Issuer and The Bank of New York Mellon, London Branch as trustee, as supplemented and/or modified and/or superseded by the provisions of this Global Certificate (including the supplemental definitions set out in the Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this Global Certificate shall have the meanings given to them in the Conditions or the Trust Deed.

Promise to Pay

The Issuer, for value received, promises to pay to the holder of the Notes represented by this Global Certificate upon presentation and (when no further payment is due in respect of the Notes represented by this Global Certificate) surrender of this Global Certificate on the Maturity Date (or on such earlier date as the Notes may become repayable in accordance with the Conditions) the amount payable in respect of the Notes represented by this Global Certificate and (unless the Notes represented by this Certificate do not bear interest) to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, all subject to and in accordance with the Conditions.

For the purposes of this Global Certificate, (a) the holder of the Notes represented by this Global Certificate is bound by the provisions of the Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Notes represented by this Global Certificate, (c) this Global Certificate is evidence of entitlement only, (d) title to the Notes represented by this Global Certificate passes only on due registration on the Register, and (e) only the holder of the Notes represented by this Global Certificate is entitled to payments in respect of the Notes represented by this Global Certificate.

Accountholders

Each person who is for the time being shown in the records of the registered holder hereof as entitled to a particular nominal amount of the Notes represented by this Global Certificate (in which regard any certificate or other document issued by such registered holder as to the nominal amount of such Notes standing to the

account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of the Notes for all purposes other than with respect to payments on such Notes for which purpose the registered holder of this Global Certificate shall be deemed to be the holder of such nominal amount of the Notes in accordance with and subject to the terms of this Global Certificate and the Trust Deed.

Partial Transfer of Notes

Transfers of the holding of the Notes represented by this Global Certificate pursuant to Condition 2(a) (*Transfers of Registered Notes*) may only be made in part:

- (i) if the Notes represented by this Global Certificate are held on behalf of Euroclear, Clearstream, Luxembourg and/or an alternative clearing system and each such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so and no alternative clearing system is available; or
- (ii) if principal in respect of any Notes is not paid when due (or within the originally applicable grace period); or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the holder of this Global Certificate has given the Registrar not less than 30 days' notice at its specified office of the intention of the holder of the Global Certificate to effect such transfer.

Notices

Notices required to be given in respect of the Notes represented by this Global Certificate may be given by their being delivered (so long as this Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, rather than by publication as required by the Conditions. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system(s), as applicable.

Prescription

Claims in respect of principal and interest in respect of the Notes represented by this Global Certificate shall become prescribed unless paid (upon presentation for payment, where the Conditions require such presentation) within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

Purchase

Notes may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the right to receive all future payments of interest thereon.

Issuer's Options

Any option of the Issuer provided for in the Conditions may be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

Noteholders' Options

Any option of the Noteholders provided for in the Conditions may be exercised by the holder of this Global Certificate giving the requisite notice to the Principal Paying Agent (which notice may be given in electronic form) and stating the nominal amount of Notes in respect of which the option is exercised.

Trustee's Powers

In considering the interests of Noteholders while this Global Certificate is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to the Notes represented by this Global Certificate.

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 Global Certificate, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Certificate, and any non-contractual obligations arising out of or in connection with this Global Certificate, is governed by, and shall be construed in accordance with, English law and the Issuer has in the Trust Deed submitted to the jurisdiction of the courts of England for all purposes in connection with this Global Certificate.

This Global Certificate shall not be valid unless authenticated by The Bank of New York Mellon SA/NV, Luxembourg Branch, as Registrar, and, if intended to be held under the NSS, effectuated by the entity appointed as common safekeeper by Euroclear or Clearstream, Luxembourg.

IN WITNESS whereof the Issuer has caused this Global Certificate to be signed manually or in facsimile by a person duly authorised on its behalf.

SKIPTON BUILDING SOCIETY

By:

Duly Authorised

By:

Duly Authorised

Authenticated by

The Bank of New York Mellon SA/NV, Luxembourg Branch
as Registrar

By:

Authorised Officer

[¹Effectuated without recourse,
warranty or liability

By:

as common safekeeper]

¹ This should only be completed if the Registered Global Note is to be held in the New Safekeeping Structure

Form of Transfer

For value received the undersigned transfers to

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

[] nominal amount of the Notes represented by this Global Certificate, and all rights under them.

Date _____

Signed _____

Certifying Signature

Notes:

- (1) *The signature of the person effecting a transfer shall conform to a list of duly authorised specimen signatures supplied by the holder of the Notes represented by this Global Certificate or (if such signature corresponds with the name as it appears on the face of this Global Certificate) be certified by a notary public or a recognised bank or be supported by such other evidence as a Transfer Agent or the Registrar may reasonably require.*
- (2) *A representative of the Noteholder should state the capacity in which he signs e.g. executor.*

[Insert the provisions of the applicable Final Terms that relate to the Conditions or the Global Certificate as Schedule I.]

SCHEDULE 1

[Applicable Terms and Conditions to be inserted]

FORM OF CERTIFICATE

SKIPTON BUILDING SOCIETY

(the **Issuer**)

(incorporated in England under the Building Societies Act 1986)

Series No. []

[Title of issue]

This Certificate certifies that [] of [] (the **Registered Holder**) is, as at the date hereof, registered as the holder of [nominal amount] of Notes of the Series of Notes referred to above (the **Notes**) of the Issuer designated as specified in the title hereof. The Notes are subject to the Terms and Conditions (the **Conditions**) endorsed hereon and are issued subject to, and with the benefit of, the Trust Deed referred to in the Conditions. Expressions defined in the Conditions have the same meanings in this Certificate.

The Issuer, for value received, promises to pay to the holder of the Notes represented by this Certificate upon presentation and (when no further payment is due in respect of the Notes represented by this Certificate) surrender of this Certificate on the Maturity Date (or on such earlier date as the Notes may become repayable in accordance with the Conditions) the amount payable in respect of the Notes represented by this Certificate and (unless the Notes represented by this Certificate do not bear interest) to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, all subject to and in accordance with the Conditions.

For the purposes of this Certificate, (a) the holder of the Note(s) represented by this Certificate is bound by the provisions of the Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Note(s) represented by this Certificate, (c) this Certificate is evidence of entitlement only, (d) title to the Note(s) represented by this Certificate passes only on due registration on the Register, and (e) only the holder of the Note(s) represented by this Certificate is entitled to payments in respect of the Note(s) represented by this Certificate.

This Certificate shall not be valid unless authenticated by The Bank of New York Mellon SA/NV, Luxembourg Branch, as Registrar.

IN WITNESS whereof this Certificate has been executed on behalf of the Issuer.

SKIPTON BUILDING SOCIETY

By:

Duly Authorised

Authenticated by

The Bank of New York Mellon SA/NV, Luxembourg Branch,
as Registrar

By:

Authorised Signatory

On the back:

Form of Transfer

For value received the undersigned transfers to

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

[] principal amount of the Notes represented by this Certificate, and all rights under them.

Date

Signed _____

Certifying Signature

Notes:

- (1) *The signature of the person effecting a transfer shall conform to a list of duly authorised specimen signatures supplied by the holder of the Notes represented by this Certificate or (if such signature corresponds with the name as it appears on the face of this Certificate) be certified by a notary public or a recognised bank or be supported by such other evidence as a Transfer Agent or the Registrar may reasonably require.*
- (2) *A representative of the Noteholder should state the capacity in which he signs.*

[Conditions]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Principal 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 the Conditions which appear in the Final Terms relating to the Notes]

SCHEDULE 3

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

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 relevant 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;
 - (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;
 - (v) **electronic platform** means any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems;
 - (vi) **hybrid meeting** means a combined physical meeting and virtual meeting convened pursuant to this Schedule by the Issuer or the Trustee and which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform;
 - (vii) **meeting** means a meeting convened pursuant to this Schedule by the Issuer or the Trustee and whether held as a physical meeting or as a virtual meeting or as a hybrid meeting;
 - (viii) **physical meeting** means any meeting attended by persons present in person at the physical location specified in the notice of such meeting;

- (ix) **present** means physically present in person at a physical meeting or a hybrid meeting, or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform;
 - (x) **virtual meeting** means any meeting held via an electronic platform;
 - (xi) **Chair** means, in relation to any meeting, the individual who takes the chair in accordance with paragraph 4 below;
 - (xii) **Electronic Consent** has the meaning set out in paragraph 24;
 - (xiii) **Written Resolution** means a resolution in writing signed by the holders of not less than 75 per cent. in nominal amount of the Notes outstanding.
- (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 (a)(i)(A) or (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 (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 Noteholders 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 Global Certificate) 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 Noteholders and any adjourned such meeting.
- (ii) Any holder of Registered Notes (whether in definitive form or represented by a Global Certificate) 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 Noteholders and any adjourned such meeting.
- (iii) 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 Noteholders, 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.
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 10% in nominal amount of the Notes for the time being outstanding convene a meeting of the Noteholders 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 and time of the meeting and manner in which it is to be held, and if a physical meeting or hybrid meeting is to be held, the place of the meeting and of the nature of the business to be transacted thereat. Every physical meeting shall be held at such time and place as the Trustee may appoint or approve. Every virtual meeting shall be held via an electronic platform and at a time approved by the Trustee. Every hybrid meeting shall be held at a time and place and via an electronic platform approved by the Trustee.

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 day and hour of meeting and the manner in which it is to be held, and if a physical or hybrid meeting is to be held, the place of the meeting, shall be given to the holders of the relevant Notes prior to any meeting of such holders in the manner provided by Condition 15. 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. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as are required under paragraph 25. An electronic copy of the notice shall be sent by e-mail 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 Noteholder) 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 Noteholders present shall choose one of their number to be Chair, failing which the relevant Issuer may appoint a Chair. The Chair of an adjourned meeting need not be the same person as was Chair 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 Chair) 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 Clause 17.2(b), 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 Chair 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 Noteholders 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 Chair 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 Chair 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 Chair 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 Chair 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 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. At a meeting which is held only as a physical meeting, 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 Chair 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 Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
9. At any meeting which is held only as a physical meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chair, the Issuer, the Trustee or any person present holding a Definitive Note 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 Chair 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 Chair 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 Chair 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 Chair 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 its lawyers and any other person authorised so to do by the Trustee may attend, participate 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, participate and speak nor shall any person be entitled to vote at any meeting of Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Noteholders by Condition 10 or 11 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 or holding company 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) (in the case of a meeting which is held only as a physical meeting) 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 Noteholders.

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 Chair 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 Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent 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 Noteholders 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 Noteholders 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 Noteholders, the Couponholders or 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 Noteholder.
 - (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 Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders 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 Noteholders 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 Noteholders duly convened and held in accordance with these presents shall be binding upon all the Noteholders 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 Noteholders shall be published in accordance with Condition 15 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 Noteholders 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 (where applicable) or, in the case of a poll, by a majority consisting of not less than three-fourths of the votes cast on such poll or (b) a resolution passed by a Written Resolution or (c) a resolution passed by an Electronic Consent.
- 21. Minutes of all resolutions and proceedings at every meeting of the Noteholders 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 Chair 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 Noteholders 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 pounds 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 pounds sterling at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into pounds 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 pounds 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 Noteholders or the Couponholders (i) concur with the Issuer in prescribing such further and/or alternative regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat, if, in either case, the Trustee is of the opinion that such regulations are not materially prejudicial to the interests of the Noteholders. Such regulations may include (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with these presents are entitled to do so and as to the form of voting certificates or block voting instructions so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so and/or to facilitate the holding of a virtual meeting or a hybrid meeting.

24. Subject to the following sentence, a Written Resolution 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 Noteholders. For so long as the Notes are in the form of a Bearer Global Note held on behalf of, or a Global Certificate registered in the name of any nominee for, one or more of Euroclear, Clearstream, Luxembourg or an alternative clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee:

Electronic Consent: where the terms of the resolution proposed by the Issuer or the Trustee (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the **Required Proportion**) (**Electronic Consent**) by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction subsequently proves to be defective. None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance.

(i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the **Relevant Date**) by which they must be received in order

for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the **Proposer**) so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to “Relevant Date” shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 2 above, unless that meeting is or shall be cancelled or dissolved; and

Written Resolution: where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Bearer Global Note or Global Certificate and/or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and/or the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting or implementation of such consent or instruction. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction subsequently proves to be defective. As used in this paragraph, “commercially reasonable evidence” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system, and/or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. 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 EasyWay or Clearstream, Luxembourg’s Xact Web Portal) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the 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 any such person and subsequently found to be forged or not authentic.

- 25. The Issuer (with the Trustee’s prior approval) or the Trustee in its sole discretion may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall provide details of the means for Noteholders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.
- 26. Without prejudice to paragraph 13, the Issuer or the Chair or the Trustee in its sole discretion may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform

(in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Trustee may approve), provided that the Issuer or its agent(s) shall be solely responsible for facilitating the distribution of all such documentation unless the meeting shall have been convened by the Trustee.

27. All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraphs 8, 10, 12 and 14(b) above.
28. Persons seeking to attend, participate in, speak at or join a virtual meeting or a hybrid meeting via the electronic platform, shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.
29. In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any one or more persons attending it are in the same physical location as each other or how they are able to communicate with each other.
30. One or more persons who are not in the same physical location as each other attend a virtual meeting or a hybrid meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting, they are (or would be) able to exercise them.
31. In the case of a virtual meeting or a hybrid meeting via the electronic platform only, the Chair of the meeting reserves the right to take such steps as the Chair shall determine in its absolute discretion to avoid or minimise disruption at the meeting, which steps may include (without limitation), muting the electronic connection to the meeting of the person causing such disruption for such period of time as the Chair may determine.
32. A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.
33. A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed contemporaneously with the votes of all the other persons attending the meeting who are entitled to vote at such meeting.
34. The Trustee shall not be responsible or liable to the Issuer or any other person for the choice or security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting, notwithstanding any approval that may have been provided by the Trustee to the Issuer.

SIGNATORIES

THE COMMON SEAL of)
SKIPTON BUILDING SOCIETY)
 was affixed to this deed in the presence of:)

EXECUTED as a **DEED** by)
THE BANK OF NEW YORK)
MELLON, LONDON BRANCH)
acting by) _____
Authorized Signatory

7 December 2000

TRUST DEED

SKIPTON BUILDING SOCIETY

and

**THE BANK OF NEW YORK
MELLON, LONDON BRANCH**

**(as modified and restated most
recently on 15 December 2023)
relating to a £2,000,000,000 Euro
Medium Term Note Programme**

SIGNATORIES

The Issuer

THE COMMON SEAL of:)
SKIPTON BUILDING SOCIETY,)
was affixed to this deed in the presence of:)



The Trustee

EXECUTED as a DEED by)
THE BANK OF NEW YORK)
MELLON, LONDON BRANCH)
acting by)

Authorised Signatory

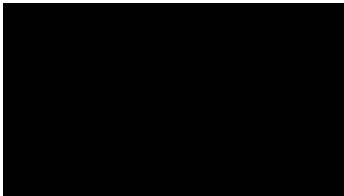
SIGNATORIES

The Issuer

THE COMMON SEAL of:)
SKIPTON BUILDING SOCIETY,)
was affixed to this deed in the presence of:)

The Trustee

EXECUTED as a **DEED** by)
THE BANK OF NEW YORK)
MELLON, LONDON BRANCH)
acting by)



Authorised Signatory

15 DECEMBER 2023

**FIFTEENTH
SUPPLEMENTAL
TRUST DEED**

SKIPTON BUILDING SOCIETY

and

**THE BANK OF NEW YORK
MELLON, LONDON BRANCH**

**further modifying and restating the
Trust Deed dated 7 December 2000
relating to a £2,000,000,000 Euro
Medium Term Note Programme**

ALLEN & OVERY

Allen & Overy LLP