

EXECUTION VERSION

TRUST DEED

DATED 25 MARCH 2021

PARAGON BANKING GROUP PLC

and

CITICORP TRUSTEE COMPANY LIMITED

constituting

**£150,000,000 4.375 per cent. Fixed Rate
Reset Callable Subordinated Tier 2 Notes due 2031**

ALLEN & OVERY

**ALLEN & OVERY LLP
LONDON**

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THIS TRUST DEED is made on 25 March 2021

BETWEEN:

- (1) **PARAGON BANKING GROUP PLC**, a company incorporated under the laws of England and Wales with limited liability under registered number 02336032 (the **Issuer**); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 (each as defined below).

WHEREAS:

- (A) By a resolution of the board of Directors of the Issuer passed on 28 January 2021 and a resolution of a duly authorised subcommittee passed on 11 March 2021 the Issuer has resolved to issue £150,000,000 4.375 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2031 to be constituted by this Trust Deed.
- (B) The said Notes, if issued in definitive form, will be in registered form without coupons.
- (C) The Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders 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 Capitalised terms in these presents shall, except where the context otherwise requires or save where otherwise defined herein, bear the meanings ascribed to them in the Conditions.
- 1.2 In these presents unless there is anything in the subject or context inconsistent therewith the following expressions shall have the following meanings:

Agency Agreement means the agreement appointing the initial Paying Agents, Registrar and/or Transfer Agents in relation to the Notes and any other agreement for the time being in force appointing Successor paying agents, successor registrars and/or transfer agents in relation to the Notes, or in connection with their duties, the terms of which have previously been approved in writing by the Trustee, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements in relation to the Notes;

Agent Bank means the bank initially appointed as agent bank in relation to the Notes by the Issuer pursuant to the Agency Agreement or, if applicable, any Successor agent bank in relation to the Notes;

Alternative Clearing System means a clearing system other than Euroclear or Clearstream, Luxembourg;

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

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

Authorised Signatory means any person who (a) is a Director or the Secretary of the Issuer or (b) has been notified by the Issuer in writing to the Trustee as being duly authorised to sign documents and to do other acts and things on behalf of the Issuer for the purposes of this Trust Deed;

Authority means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction;

Certificate means a Global Note Certificate or an Individual Note Certificate;

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

Conditions means the Conditions in the form set out in Part 2 of Schedule 2 as the same may from time to time be modified in accordance with these presents and any reference in these presents to a particular specified Condition or paragraph of a Condition shall in relation to the Notes be construed accordingly;

Director means a member of the board of directors of the Issuer;

Electronic Consent means any resolution passed in cases 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 Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System as provided under these presents and each of the Issuer and the Trustee relies upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be) 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 aggregate principal amount of the Notes outstanding by close of business of the relevant time and date for the blocking of their accounts in Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System;

Euroclear means Euroclear Bank SA/NV;

Event of Default shall mean the occurrence of a Winding-up Event in respect of the Issuer as described in Condition 8 (*Events of Default*);

Extraordinary Resolution has the meaning set out in paragraph 1 of Schedule 4;

Global Note Certificate means the global note certificate in respect of the Notes to be issued pursuant to subclause 4.1 in the form or substantially in the form set out in Schedule 1;

Individual Note Certificates has the meaning set out in subclause 4.1;

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;

Noteholders means the several persons who are for the time being holders of the Notes (being the several persons whose names are entered in the register of holders of the Notes as the holders thereof) save that, for so long as such Notes or any part thereof are represented by the Global Note Certificate deposited with a common depositary for Euroclear and Clearstream, Luxembourg or, in respect of Notes in definitive form held in an account with Euroclear or Clearstream, Luxembourg, 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) as the holder of a particular principal amount of the Notes shall be deemed to be the holder of such principal amount of such Notes (and the registered holder of the relevant Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such principal amount of such Notes, the rights to which shall be vested, as against the Issuer and the Trustee, solely in such common depositary and for which purpose such common depositary shall be deemed to be the holder of such principal amount of such Notes in accordance with and subject to its terms and the provisions of these presents; and the words **holder** and **holders** and related expressions shall (where appropriate) be construed accordingly;

Notes means the notes in registered form comprising the said £150,000,000 4.375 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2031 of the Issuer hereby constituted or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes any replacements for Notes issued pursuant to Condition 10 (*Replacement of Note Certificates*) and (except for the purposes of clause 2.4(d)) the Global Note Certificate;

Official List has the meaning set out in Section 103 of the Financial Services and Markets Act 2000;

outstanding means in relation to the Notes all the Notes issued other than:

- (a) those Notes which have been redeemed in accordance with Conditions 5(a), 5(b), 5(c) and 5(d) or otherwise 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, as applicable in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*)) and remain available for payment (against presentation of the relevant Notes, if required in accordance with the Conditions);
- (c) those Notes which have been purchased and cancelled in accordance with Condition 5 (*Redemption and Purchase*);
- (d) those Notes which have become void under Condition 9 (*Prescription*);
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 10 (*Replacement of Note Certificates*);
- (f) (for the purpose only of ascertaining the principal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which

replacements have been issued pursuant to Condition 10 (*Replacement of Note Certificates*); and

- (g) the Global Note Certificate to the extent that it shall have been exchanged for Notes in definitive form pursuant to its provisions;

PROVIDED THAT for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders or any of them, an Extraordinary Resolution in writing or an Ordinary Resolution in writing as envisaged by paragraph 1 of Schedule 4 and any direction or request by the holders of the Notes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of subclause 9.1, Condition 12 (*Meeting of Noteholders; Modification and Waiver; Substitution*) and paragraphs 4, 7 and 9 of Schedule 4;
- (iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any of them; and
- (iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of any such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

Paying Agents means 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 the Notes by the Issuer pursuant to the Agency Agreement and/or, if applicable, any Successor paying agents in relation to such Notes;

Principal Paying Agent means the institution at its specified office initially appointed as principal paying agent in relation to the Notes by the Issuer pursuant to the Agency Agreement or, if applicable, any Successor principal paying agent in relation to the Notes;

Registrar means the institution at its specified office initially appointed as the registrar in relation to the Notes by the Issuer pursuant to the Agency Agreement or, if applicable, any Successor registrar in relation to the Notes;

Relevant Date has the meaning set out in Condition 7 (*Taxation*);

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

Shortfall means, in respect of the Issuer, in the event notwithstanding the subordination effected by Clause 3.2 (*Subordination*) any amounts are paid to the Trustee in a Winding-Up Event in respect of the claims of the Noteholders without the claims of the Senior Creditors being paid in full, the amount by which the aggregate amount paid or distributable by the liquidator in a winding-up or administration of the Issuer as aforesaid in respect of the claims of the Senior Creditors is less than the amount of claims of the Senior Creditors;

Subsidiary means any 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 Agent Bank, the Principal Paying Agent, the other Paying Agents, the Registrar 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, the Agency Agreement and/or such other or further agent bank, principal paying agent, paying agents, registrar and/or transfer agents (as the case may be) in relation to such 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 place 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, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Noteholders pursuant to subclause 13(j) in accordance with Condition 15 (*Notices*);

Tax means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax;

the London Stock Exchange means the London Stock Exchange plc or any successor thereto;

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

Transfer Agents means the institutions at their respective specified offices initially appointed as transfer agents in relation to the Notes by the Issuer pursuant to the Agency Agreement and/or, if applicable, any Successor transfer agents in relation to such Notes;

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act 1906 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;

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*.

- 1.3 (a) All references in these presents to principal and/or interest in respect of the Notes or to any moneys payable by the Issuer under these presents shall be deemed to include, in the case of amounts of principal payable, a reference to any specific redemption price (as defined in the relevant Conditions) and, in any case, a reference to any additional amounts which may be payable under Condition 7 (*Taxation*) or, if applicable, under any undertaking or covenant given pursuant to subclause 20.1(a).
- (b) All references in these presents to **pounds sterling**, **pounds** or the sign **£** shall be construed as references to the lawful currency for the time being of the United Kingdom.

- (c) All references in these presents to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
- (d) All references in these presents to 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.
- (e) 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.
- (f) All references in these presents to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up of the Issuer.
- (g) All references in these presents to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system as is approved by the Trustee.
- (h) Unless the context otherwise requires words or expressions used in these presents shall bear the same meanings as in the Companies Act 2006.
- (i) 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.
- (j) In these presents tables of contents and clause headings are included for ease of reference and shall not affect the construction of these presents.
- (k) 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 Main Market of the London Stock Exchange and all references in these presents to **listing** or **listed** shall include references to **quotation** and **quoted**, respectively.

2. COVENANT TO REPAY AND TO PAY INTEREST ON THE NOTES

- 2.1 The aggregate principal amount of the Notes is limited to £150,000,000.
- 2.2 The Issuer covenants with the Trustee that it will, in accordance with these presents, on the due date for the final maturity of the Notes provided for in the Conditions or on such earlier date as the same or any part thereof may become due and repayable thereunder (subject to Clause 3 (*Status and Subordination of the Notes*) below), pay or procure to be paid unconditionally to or to the order of the Trustee in pounds sterling in London in immediately available funds the principal amount of the Notes repayable on that date and shall (subject to the provisions of the Conditions and Clause 3 (*Status and Subordination of the Notes*) below) in the meantime and until such date (both before and after any judgment or other order of a court of competent jurisdiction) pay or procure to be paid unconditionally to or to the order of

the Trustee as aforesaid interest (which shall accrue from day to day) on the principal amount of the Notes at rates calculated from time to time in accordance with Condition 4 (*Interest*) payable semi-annually in arrear on 25 March and 25 September of each year from (and including) 25 September 2021 up to (and including) 25 September 2031, the first such payment to be made on 25 September 2021 PROVIDED THAT:

- (a) every payment of principal or interest in respect of the Notes to or to the account of the Principal Paying Agent in the manner provided in the Agency Agreement shall operate in satisfaction *pro tanto* of the relative covenant by the Issuer in this clause except to the extent that there is default in the subsequent payment thereof in accordance with the Conditions (and such payment is not made by reason of Clause 3 (*Status and Subordination of the Notes*) or Condition 3) to the Noteholders;
- (b) in any case where payment of principal is not made to the Trustee or the Principal Paying Agent on or before the due date, interest shall continue to accrue on the principal amount of the Notes (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 to the Noteholders in respect thereof as stated in a notice given to the Noteholders in accordance with Condition 15 (*Notices*) (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 (other than in circumstances contemplated by proviso (b) above and provided that the relevant Note is duly presented (if required)) or, if made to the Trustee or to the account of or with the Principal Paying Agent, is not made by reason of Clause 3 (*Status and Subordination of the Notes*) and Condition 3, interest shall accrue on that principal amount 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 rate aforesaid (or, if higher, the rate of interest on judgment debts for the time being provided by English law) from and including the date of such withholding or refusal up to and including the date on which (upon further presentation of the relevant Note, if required) payment of the full amount (including interest as aforesaid) in pounds sterling payable in respect of such Note is made or (in respect of the payment of the principal amount and if earlier) the seventh day after notice is given to the relevant Noteholder (either individually or in accordance with Condition 15 (*Notices*)) that the full amount (including interest as aforesaid) in pounds sterling payable in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made.

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

TRUSTEE'S REQUIREMENTS REGARDING PAYING AGENTS

- 2.3 At any time after an Event of Default shall have occurred or if there is failure to make payment of any amount in respect of any Note when due or the Trustee shall have received any money which it proposes to pay under clause 10 to the Noteholders, the Trustee may:

- (a) by notice in writing to the Issuer, the Principal Paying Agent, the Registrar and the other Paying Agents require the Principal Paying Agent, the Registrar and the other Paying Agents pursuant to the Agency Agreement:
 - (i) to act thereafter as Principal Paying Agent, Registrar and Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions 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 Paying Agents and the Registrar shall be limited to the amounts for the time being held by the Trustee on the trusts of these presents relating to the Notes and available for such purpose) and thereafter to hold all Notes and all sums, documents and records held by them in respect of the Notes on behalf of the Trustee; or
 - (ii) to deliver up all Notes and all sums, documents and records held by them in respect of the Notes 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 relative Paying Agent or the Registrar, as the case may be is obliged not to release by any law or regulation; and/or
- (b) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Trustee and not to the Principal Paying Agent; 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.

FURTHER ISSUES

- 2.4 (a) 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 to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon), and so that the same shall be consolidated and form a single series, with the Notes and/or the further notes or bonds of any series.
- (b) Any further notes which are to be created and issued pursuant to the provisions of paragraph 2.4(a) above so as to form a single series with the Notes shall be constituted by a trust deed supplemental to this Trust Deed. In such case the Issuer shall prior to the issue of any further notes to be so constituted execute and deliver to the Trustee a trust deed supplemental to this Trust Deed (in relation to which all applicable stamp duties or other documentation fees, duties or taxes have been paid and, if applicable, duly stamped or denoted accordingly) containing a covenant by the Issuer in the form *mutatis mutandis* of subclause 2.2 in relation to the principal and interest in respect of such further notes and such other provisions (whether or not corresponding to any of the provisions contained in this Trust Deed) as the Trustee shall require including making such consequential modifications to this Trust Deed as the Trustee shall require in order to give effect to such issue of further notes.
- (c) A memorandum of every such supplemental trust deed shall be endorsed by the Trustee on this Trust Deed and by the Issuer on its duplicate of this Trust Deed.
- (d) Whenever it is proposed to create and issue any further notes the Issuer shall give to the Trustee not less than 14 days' notice in writing of its intention so to do stating the amount of further notes proposed to be created and issued.

3. STATUS AND SUBORDINATION OF THE NOTES

3.1 Status

The Notes constitute direct, unsecured and, in accordance with Condition 3(b) (*Subordination*) and Clause 3.2 (*Subordination*), subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.

3.2 Subordination

In the event of a winding-up or administration of the Issuer;

3.2.1 the claims of Noteholders and the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under this Trust Deed which shall not be subordinated) against the Issuer in respect of or arising under the Notes (including any damages awarded for breach of any obligations in respect of the Notes) shall (i) be subordinated to the claims of all Senior Creditors, (ii) rank at least *pari passu* with all claims of holders of Parity Securities and (iii) rank in priority to the claims of holders of Junior Securities.

3.2.2. Accordingly, any amounts paid to the Trustee in a winding-up or administration of the Issuer in respect of the claims of the Noteholders shall be held by the Trustee upon trust:

- (a) First, for application in payment or satisfaction of all Liabilities properly incurred by or payable to the Trustee or its Appointee (including remuneration and other amounts payable to it under this Trust Deed) in carrying out its functions under this Trust Deed;
- (b) Secondly, to the extent of any Shortfall, for distribution in or towards payment or satisfaction of the claims of the Senior Creditors in respect of the Issuer, and
- (c) Thirdly, in or towards payment *pari passu* and rateably of the principal and interest due upon the Notes (to the respective extents that the claims in the name of the Trustee in respect thereof shall be admitted in such winding-up or administration of the Issuer),

The said trust for distribution in respect of the claims of the Senior Creditors may be performed by the Trustee by repaying to the liquidator of the Issuer any amount to be so distributed on terms that the liquidator shall distribute the same accordingly, and in that event the receipt of the liquidator for the money's so paid by the Trustee to him shall be a good discharge to the Trustee and the Trustee shall not be bound to supervise or be in any way responsible for such distribution.

3.2.3 The Trustee shall be entitled and is hereby authorised from time to time to call for, and may rely on without liability to any person, certificates from the liquidator of the Issuer as to:

- (a) the claims of the Senior Creditors in respect of the Issuer and the persons entitled thereto and their respective entitlements;
- (b) the date upon which the claims of the Senior Creditors were, or the liquidator considers will be, paid or discharged in full; and

- (c) any Shortfall or, as the case may be, any Shortfall estimated by the liquidator.

Any certificate (other than a certificate of estimated Shortfall) given by the liquidator of the Issuer as aforesaid shall be conclusive and binding on the Trustee and the Noteholders.

3.3 No right of set-off

Subject to applicable law, neither a Noteholder or the Trustee may exercise or claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes and each Noteholder will, by virtue of such Noteholder's holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts due and payable to any Noteholder by the Issuer in respect of, arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of a winding-up or administration of the Issuer, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount on trust for the Issuer or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

3.4 Trustee shall rank as Senior Creditor

The foregoing provisions of this Clause 3 (*Status and Subordination of the Notes*) and Condition 3 (*Status and Subordination of the Notes*) apply only to the principal, interest and other amounts under or arising from the Notes (including any damages awarded for breach of any obligations in respect of the Notes), and nothing in this Clause 3 (*Status and Subordination of the Notes*) shall affect or prejudice the payment or satisfaction of all Liabilities properly incurred by or payable to the Trustee or its Appointee (including remuneration and other amounts payable to it under this Trust Deed) or the rights and remedies of the Trustee in respect thereof and in such capacity the Trustee shall rank as a Senior Creditor of the Issuer.

3.5 No restriction on the rights of the Issuer

Nothing contained in this Trust Deed shall in any way restrict the right of the Issuer to issue debt obligations, or to give any guarantee of any nature, ranking in priority to or *pari passu* with or junior to the obligations of the Issuer in respect of the Notes and, if the Issuer delivers a certificate signed by two Directors or two Authorised Signatories to the Trustee certifying that certain modifications to the provisions of Clause 3 (*Status and Subordination of the Notes*) shall be necessary or expedient to permit such ranking and setting out the proposed modifications thereto, which certificate shall be conclusive and binding on all parties and the Noteholders, the Trustee is hereby authorised without the consent of any Noteholder but subject to Clause 18.2 (*Modification*) to concur with the Issuer in executing a supplemental trust deed effecting such modification, *provided that* the Trustee shall not be obliged to agree to any such modification which, in the sole opinion of the Trustee, would have the effect of (a) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections and/or rights, of the Trustee in this Trust Deed and/or the Conditions.

4. FORM AND ISSUE OF NOTES

- 4.1 The Notes shall be represented by the Global Note Certificate which the Issuer shall issue to a common depositary for Euroclear and Clearstream, Luxembourg on terms that such common depositary shall hold the same for the account of the persons who would otherwise be entitled to receive the Notes in definitive form (**Individual Note Certificates**) (as notified to such common depositary by Barclays Bank PLC, Merrill Lynch International and UBS AG London Branch as Joint Lead Managers of the issue of the Notes) and the successors in title to such persons as appearing in the records of Euroclear and Clearstream, Luxembourg for the time being.
- 4.2 The Global Note Certificate shall be printed or typed in the form or substantially in the form set out in Schedule 1 and may be a facsimile. The Global Note Certificate shall be in the aggregate principal amount of £150,000,000 and shall be signed manually or in facsimile by an Authorised Signatory on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. The Global Note Certificate so executed and authenticated shall be a binding and valid obligation of the Issuer and title thereto shall pass by registration of transfer in respect thereof in accordance with the provisions of these presents.
- 4.3 The Issuer shall issue the Individual Note Certificates in exchange for the Global Note Certificate in accordance with the provisions thereof.
- 4.4 The Notes in definitive form shall be in registered form and shall be issued in the form or substantially in the form set out in Schedule 2 in the denomination and transferable in units of £100,000 each or integral multiples of £1,000 in excess thereof, shall be serially numbered and shall be endorsed with a Form of Transfer in the form or substantially in the form also set out in Schedule 2 and with the Conditions. Title to the Notes in definitive form shall pass upon the registration of transfers in respect thereof in accordance with the provisions of these presents.
- 4.5 The Individual Note Certificates shall be signed manually or in facsimile by an Authorised Signatory on behalf of the Issuer.
- 4.6 The Issuer may use the facsimile signature of any person who at the date such signature is affixed is an Authorised Signatory as referred to in subclauses 4.2 and 4.5 above notwithstanding that at the time of issue of the Global Note Certificate or any of the Individual Note Certificates, as the case may be, he may have ceased for any reason to be the holder of such office. The Individual Note Certificates so signed shall be binding and valid obligations of the Issuer.

5. FEES, DUTIES AND TAXES

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

6. 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 Conditions shall be binding on the Issuer and the Noteholders. The Trustee shall be entitled to enforce the

obligations of the Issuer under the Notes as if the same were set out and contained in the trust deeds constituting the same, which shall be read and construed as one document with the Notes. The Trustee will hold the benefit of this covenant upon trust for itself and the Noteholders according to its and their respective interests.

7. CANCELLATION OF NOTES AND RECORDS

7.1 The Issuer shall procure that all Notes (a) redeemed or (b) purchased and surrendered for cancellation by or on behalf of the Issuer or any Subsidiary of the Issuer or (c) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 10 (*Replacement of Certificates*) or (d) exchanged as provided in these presents shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:

- (a) the aggregate principal amount of Notes which have been redeemed;
- (b) the serial numbers of such Notes in definitive form;
- (c) the aggregate amount of interest paid (and the due dates of such payments) on the Notes;
- (d) the aggregate principal amount of Notes (if any) which have been purchased by or on behalf of the Issuer or any Subsidiary of the Issuer and cancelled and the serial numbers of such Notes in definitive form; and
- (e) the aggregate principal amounts of Notes which have been so exchanged or surrendered and replaced and the serial numbers of such Notes in definitive form,

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 any such redemption, purchase, payment, exchange or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon respectively and of cancellation of the relative Notes.

7.2 The Issuer shall procure (i) that the Principal Paying Agent shall keep a full and complete record of all Notes and of their redemption, cancellation, payment or exchange (as the case may be) and of all replacement notes issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes and (ii) that such records shall be made available to the Trustee at all reasonable times.

8. ENFORCEMENT

8.1 The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to the Issuer to enforce its obligations under these presents subject to and in accordance with Condition 8 (*Events of Default*).

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

9. ACTION, PROCEEDINGS AND INDEMNIFICATION

- 9.1 The Trustee shall not be bound to take any action in relation to these presents (including but not limited to the giving of any notice pursuant to Condition 8 (*Events of Default*) or the taking of any proceedings and/or other steps mentioned in subclause 8.1) unless respectively directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least one-quarter of the aggregate principal amount of the Notes then outstanding and in either case then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing. The Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Noteholders.
- 9.2 Only the Trustee may enforce the provisions of these presents. No Noteholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of these presents unless the Trustee having become bound as aforesaid to take proceedings fails or is unable to do so within 90 days and such failure or inability is continuing.
- 9.3 The Trustee may refrain from taking any action in any jurisdiction (including but not limited to the European Union, the United States of America or, in each case, any jurisdiction forming a part of it and England and Wales) if the taking of such action would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law binding on it or to which it is subject. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in any relevant jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to take the relevant action in the relevant jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

10. APPLICATION OF MONEYS

Subject to the provisions of Clause 3 (*Status and Subordination of the Notes*), all moneys received by the Trustee under these presents (including any moneys which represent principal or interest in respect of Notes which have become void under Condition 9 (*Prescription*)) shall be held by the Trustee upon trust to apply them (subject to Clause 12 (*Investment by Trustee*)):

- (a) *First*, in payment or satisfaction of all amounts then due and unpaid under Clause 14 (*Remuneration and Indemnification of Trustee*) to the Trustee and/or any Appointee;
- (b) *Secondly*, in or towards retention of an amount which the Trustee considers necessary to pay any amounts that it considers will thereafter become due to be paid under Clause 14 (*Remuneration and Indemnification of Trustee*) to it or any Appointee, to the extent that it considers that moneys received by it thereafter under this Trust Deed may be insufficient and/or may not be received in time to pay such amounts;
- (c) *Thirdly*, in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes; and
- (d) *Fourthly*, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

Without prejudice to this clause 10, if the Trustee holds any moneys which represent principal or interest in respect of Notes which have become void or in respect of which claims have been prescribed under Condition 9 (*Prescription*), the Trustee will hold such moneys on the above trusts.

11. NOTICE OF PAYMENTS

The Trustee shall give notice to the Noteholders in accordance with Condition 15 (*Notices*) of the day fixed for any payment to them under clause 10. Such payment may be made in accordance with Condition 6 (*Payments*) and any payment so made shall be a good discharge to the Trustee.

12. INVESTMENT BY TRUSTEE

- 12.1 No provision of these presents shall (a) confer on the Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by these presents and, to the extent permitted by law, Section 3 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents and (b) require the Trustee to do anything which may cause the Trustee to be considered a sponsor of a covered fund under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.
- 12.2 The Trustee may deposit moneys in respect of the Notes in its name in an account at such bank or other financial institution as the Trustee may, in its absolute discretion, think fit. If that bank or financial institution is the Trustee or a subsidiary, holding or associated company of the Trustee, the Trustee need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer.
- 12.3 The parties acknowledge and agree that in the event that any deposits in respect of the Notes are held by a bank or a financial institution in the name of the Trustee and the interest rate in respect of certain currencies is a negative value such that the application thereof would result in amounts being debited from funds held by such bank or financial institution ("negative interest"), the Trustee shall not be liable to make up any shortfall or be liable for any loss.
- 12.4 The Trustee may at its discretion accumulate such deposits and the resulting interest and other income derived thereon. The accumulated deposits shall be applied under clause 10. All interest and other income deriving from such deposits shall be applied first in payment or satisfaction of all amounts then due and unpaid under clause 14 to the Trustee and/or any Appointee and otherwise held for the benefit of and paid to the Noteholders.

13. COVENANTS BY THE ISSUER

So long as any of the Notes remains outstanding (or, in the case of paragraphs (f), (j) and (m), so long as any of the Notes remains liable to prescription or, in the case of paragraph (m), 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) so far as permitted by applicable law at all times give to the Trustee such opinions, certificates, information and other evidence as it shall require and in such form as it shall require (including without limitation the certificates called for by the Trustee pursuant to subclause 15(c)) for the performance of its functions;

- (b) at all times keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same responsible officers of the Issuer provided that, prior to an Event of Default, prior reasonable notice will be given to the Issuer;
- (c) make available to the Trustee and to the Principal Paying Agent on the Issuer's website (if the same are produced) as soon as reasonably practicable after their date of publication and in the case of annual audited financial statements in any event not more than 180 days after the end of each financial year, two copies in English of the Issuer's annual balance sheet and profit and loss account of every balance sheet, profit and loss account, report or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to the members or holders of debentures or creditors (or any class of them) of the Issuer in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof and procure that the same are made available for inspection by Noteholders at the Specified Offices (as defined in the Agency Agreement) of the Paying Agents as soon as practicable thereafter;
- (d) immediately give notice in writing to the Trustee upon becoming aware of any Event of Default or any breach by it of any provision of these presents and without waiting for the Trustee to take any further action;
- (e) provide to the Trustee (a) within 14 days of any request by the Trustee and (b) at the time of any dispatch to the Trustee of its annual balance sheet and profit and loss account and in any event not later than 180 days after the end of each financial year, a certificate, in or substantially in the form set out in Schedule 5 signed by two Directors or two Authorised Signatories of the Issuer certifying that up to a specified date not earlier than seven days prior to the date of such certificate (the **Certified Date**) the Issuer has complied with its obligations under these presents (or, if such is not the case, giving details of the circumstances of such non-compliance) and that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of such previous certificate (or, in the case of the first such certificate, since the date of this Trust Deed) any Event of Default or any breach by it of any provision of these presents or other matter which could affect the Issuer's ability to perform its obligations under this Trust Deed or (if such is not the case) specifying the same;
- (f) so far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to these presents;
- (g) use its best endeavours to procure that the Principal Paying Agent notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Notes receive unconditionally pursuant to the Agency Agreement payment of the full amount in the relevant currency of the moneys payable on such due date on all such Notes;
- (h) in the event of the unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of the Notes or any of them being made after the due date for payment thereof forthwith give notice to the Noteholders in accordance with Condition 15 (*Notices*) that such payment has been made;

- (i) at all times use all reasonable endeavours to maintain the admission to listing, trading and/or quotation of the Notes on the London Stock Exchange or, if it is unable to do so having used its reasonable endeavours or if the Trustee considers that the maintenance of such listing is unduly burdensome or impractical, use 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 approval of the Trustee) decide and give notice of the identity of such other stock exchange or exchanges or securities market to the Noteholders;
- (j) give at least 14 days' prior written notice to the Noteholders of any future appointment, resignation or removal of an Agent or any change by an Agent of its Specified Office and not make any such appointment or removal without the Trustee's prior written approval;
- (k) send or procure to be sent the Trustee, not less than five days prior to the date of publication, for the Trustee's approval, one copy of each notice to be given to the Noteholders in accordance with Condition 15 (*Notices*) and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice (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);
- (l) observe and comply with its obligations and use all reasonable endeavours to procure that the Agents observe and comply with and perform all their obligations under the Agency Agreement and procure that the Registrar maintains the Register and notify the Trustee immediately if it becomes aware of any material breach or failure by an Agent in relation to the Notes;
- (m) send to the Trustee forthwith upon being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Directors or two Authorised Signatories) setting out the total number and aggregate principal amount of Notes which at the date of such certificate are held by or for the benefit of the Issuer or any Subsidiary of the Issuer, any holding company of the Issuer or any other Subsidiary of such holding company;
- (n) not less than five business days prior to the redemption or payment date in respect of any Note give to the Trustee notice in writing of the amount of such redemption or payment pursuant to Condition 15 (*Notices*) and duly proceed to redeem or pay such Notes accordingly;
- (o) if the Issuer gives notice to the Trustee that it intends to redeem the Notes pursuant to Condition 5(b) (*Redemption at the option of the Issuer*), 5(c) (*Redemption for tax reasons*) or 5(d) (*Regulatory Event Redemption*) the Issuer shall, prior to the giving such notice to the Noteholders provide such information to the Trustee as the Trustee requires in order to satisfy itself of the matters referred to in such Condition;
- (p) if the Issuer gives notice to the Trustee that it intends to 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 Compliant Notes pursuant to Condition 5(h) (*Substitution and Variation*) the Issuer shall, prior to the giving such notice to the Noteholders provide such information to the Trustee as the Trustee requires in order to satisfy itself of the matters referred to in Condition 5(h) (*Substitution and Variation*), including, for the avoidance of doubt, a certificate confirming that all requirements of Compliant Notes have been satisfied;

- (q) upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee (with a copy to the Principal Paying Agent) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and
- (r) to provide to the Trustee sufficient information about the parties to and/or transactions (including any modification to the terms of such transactions) contemplated by these presents so the Trustee can determine whether it has tax related obligations under Applicable Law. This clause shall survive the termination of these presents.

14. REMUNERATION AND INDEMNIFICATION OF TRUSTEE

- 14.1 The Issuer shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee. In the absence of any agreement to the contrary, such remuneration shall be payable in advance on the anniversary of the date hereof in each year, the first such payment to be made on the date hereof. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders) 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, as the case may be, the Trustee PROVIDED THAT if upon due presentation of any Note (if required) or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue.
- 14.2 In the event of the occurrence of an 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 other cases, if the Trustee considers it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee considers 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 may be calculated by the Trustee at its normal hourly rates in force from time to time.
- 14.3 The Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under these presents.
- 14.4 In the event of the Trustee and the Issuer failing to agree:
 - (a) (in a case to which subclause 14.1 above applies) upon the amount of the remuneration; or
 - (b) (in a case to which subclause 14.2 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.
- 14.5 The Issuer shall also pay or discharge all costs, charges and expenses incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance

of its duties under, and in any other manner in relation to, these presents, including but not limited to legal and 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.

- 14.6 Subject to Section 750 of the Companies Act 2006 (if applicable) and without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Trustee and every Appointee and keep it or such Appointee indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or such Appointee in the preparation and execution or purported execution of any of its or such Appointee's trusts, powers, authorities and discretions under these presents or its or such Appointee's functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment (including all Liabilities incurred in disputing or defending any of the foregoing).
- 14.7 All amounts payable pursuant to subclause 14.5 above 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 carry interest at the rate of three per cent. per annum above the Trustee's cost of borrowing and interest shall accrue (i) in the case of payments made by the Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand or (ii) in the case of payments made by the Trustee on or after the date of demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor. A certificate from the Trustee as to the Trustee's cost of borrowing on any particular date or during any particular period shall be conclusive and binding on the Issuer.
- 14.8 Where any amount which would otherwise be payable by the Issuer under this clause has instead been paid by any person or persons other than the Issuer (each, an **Indemnifying Party**), the Issuer shall pay to the Trustee an equal amount for the purpose of enabling the Trustee to reimburse the Indemnifying Parties.
- 14.9 The Issuer hereby further undertakes to the Trustee that all monies payable by the Issuer to the Trustee under this clause shall be made free and clear of, and without set-off, counterclaim, deduction or withholding for any Taxes within any relevant jurisdiction 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.
- 14.10 Unless otherwise specifically stated in any discharge of these presents the provisions of this clause shall continue in full force and effect notwithstanding such discharge.

15. SUPPLEMENT TO TRUSTEE ACTS

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

- (a) The Trustee may in relation to these presents act on the advice or opinion of or a certificate or any information (whether addressed to the Trustee or not) obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Trustee or otherwise and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting.
- (b) Any such advice, opinion, certificate or information may be sent or obtained by letter, email or facsimile transmission and the Trustee shall not be liable for acting on any advice, opinion, certificate or information purporting to be conveyed by any such letter, email or facsimile transmission 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 any two Directors or two Authorised Signatories 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 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 the Global Note Certificate for Individual Note Certificates or the delivery of the Global Note Certificate or Individual Note Certificates 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 has happened 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 has happened and that the Issuer is observing and performing all its obligations under these presents and no event has happened as a consequence of which any of the Notes may become repayable.
- (g) Save as expressly otherwise provided in these presents, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Trustee and the Noteholders shall be conclusive and binding on the Noteholders) 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 subclause 9.1, unless it shall first be indemnified and/or provided with security to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.

- (h) 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 circumstances by considering the worst-case scenario and, for this purpose; it may take into account, without limitation, the potential costs of defending or commencing proceedings in England or elsewhere. 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.
- (i) The Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary or other resolution purporting to have been passed at any meeting of Noteholders (including a resolution passed by way of Electronic Consent) in respect whereof minutes have been made and signed or any direction or request of Noteholders even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of an Extraordinary Resolution in writing, a direction or a request) 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 Noteholders.
- (j) The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note purporting to be such and subsequently found to be forged or not authentic.
- (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 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 these presents and no Noteholder 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 specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Noteholders.
- (n) The Trustee as between itself and the Noteholders 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.

- (o) In connection with the exercise by it of any of its trusts, powers, authorities and discretions under these presents (including, without limitation, any modification, waiver, authorisation determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (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 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 except to the extent already provided for in Condition 7 (*Taxation*) 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 proper 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 including matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, broker or other person engaged in any profession or business.
- (q) The Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under 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. 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 in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents (including the receipt and payment of money). The Trustee shall not be in any way responsible for any 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 liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

- (t) The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by these presents as the Trustee may determine, including for the purpose of depositing with a custodian these presents or any document relating to the trusts constituted by these presents and the Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer.
- (u) The Trustee shall not be responsible 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 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. In addition the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder.
- (v) The Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes represented by the Global Note Certificate standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.
- (w) The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Notes or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.
- (x) Subject to the requirements, if any, of the London 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.
- (y) 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 satisfied that the Issuer will be able to indemnify it 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 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.

- (z) 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 Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.
- (aa) Notwithstanding anything contained in these presents, the Trustee shall be entitled to make a deduction or withholding from any payment which is made under the Notes for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the Trustee shall make such payment after such deduction or withholding has been made. For the avoidance of doubt, any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, shall be deemed to be a Tax which is required to be deducted or withheld by Applicable Law.
- (bb) Unless notified to the contrary, the Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to subclause 13(m)) that no Notes are 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 such holding company.
- (cc) The Trustee shall have no responsibility whatsoever to the Issuer, any Noteholder or any other person for the maintenance of or failure to maintain any rating of any of the Notes by any rating agency.
- (dd) Any certificate or report of the Auditors or any other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these presents may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.
- (ee) The Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in these presents, or any other agreement or document relating to the transactions contemplated in these presents or under such other agreement or document or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility or evidence thereof.
- (ff) 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.

16. TRUSTEE'S LIABILITY

- 16.1 Subject to Section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in this Trust Deed, the Notes or the Agency Agreement, the Trustee

shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed, the Notes or the Agency Agreement save in relation to its own gross negligence, wilful default or fraud.

- 16.2 Notwithstanding any provision in these presents to the contrary, the Trustee shall not in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits, business, goodwill or opportunity), whether or not foreseeable, 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.

17. TRUSTEE CONTRACTING WITH THE ISSUER

Neither the Trustee 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 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.

18. WAIVER, AUTHORISATION AND DETERMINATION

- 18.1 Subject to Clause 18.4 below, the Trustee may without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, 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 (other than a proposed breach or breach relating to the subject of a Reserved Matter) by the Issuer of any of the covenants or provisions contained in these presents or determine that any 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 8 (*Events of Default*) 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, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

MODIFICATION

- 18.2 Subject to Clause 18.4 below, the Trustee may without the consent or sanction of the Noteholders at any time and from time to time concur with the Issuer in making any modification (on such terms and subject to such conditions (if any) as the Trustee may determine) (i) to these presents (other than the proviso to paragraph 7 of Schedule 4 or any matters referred to in that proviso) 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 (ii) 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. In addition, the Trustee shall be obliged to concur with the Issuer and use its reasonable endeavours to effect such modifications to the Conditions or this Trust Deed as may be required in order to give effect to Condition 5(h) (*Substitution and Variation*) without the consent of Noteholders. Any such modification shall be binding upon the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

BREACH

- 18.3 Any breach of or failure to comply with any such terms and conditions as are referred to in subclauses 18.1 and 18.2 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.
- 18.4 The Conditions and the Trust Deed shall only be capable of modification or waiver if the Issuer has notified the Competent Authority of such modification or waiver and/or obtained the relevant permission of the Competent Authority (if such notice and/or consent is then required by the Regulatory Capital Requirements).

19. ENTITLEMENT TO TREAT HOLDER AS ABSOLUTE OWNER

The Issuer, the Trustee, the Paying Agents, the Registrar and the Transfer Agents may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Note or of a particular principal amount of the Notes as the absolute owner of such Note or principal amount for all purposes (whether or not such Note or principal amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, any notice of loss or theft thereof or any writing thereon), and the Issuer, the Trustee,

the Paying Agents, the Registrar and the Transfer Agents shall not be affected by any notice to the contrary. All payments made to any such holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable in respect of such Note or principal amount.

20. SUBSTITUTION

- 20.1 (a) Subject to Condition 12(d), the Trustee may without the consent of the Noteholders at any time agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this clause) as the principal debtor under these presents of any 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 to the Trustee, 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 the clause) and provided further that the Issuer unconditionally and irrevocably guarantees all amounts payable under these presents to the satisfaction of the Trustee.
- (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 require in order that the substitution is fully effective and comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
 - (ii) the Trustee is satisfied that, in accordance with Condition 12(c) (*Substitution*) and 12(d) (*Competent Authority notice or consent*), the New Company has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes in place of the Issuer (or in place of the previous substitute under this clause);
 - (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) certify immediately prior to the assumption of its obligations as the New Company under these presents that the New Company is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the New Company (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.
- 20.2 The Trustee shall be entitled to refuse to approve any substituted obligor if, pursuant to the law of the country of incorporation of the New Company, the assumption by the New Company of its obligations hereunder imposes responsibilities on the Trustee over and above those which have been assumed under this Trust Deed.

- 20.3 In connection with any proposed substitution, the Trustee shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder shall, in connection with any such substitution, be entitled to claim from the Trustee or the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.
- 20.4 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 (*Notices*). 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 modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in these presents to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New Company.

21. CURRENCY INDEMNITY

21.1 Currency of Account and Payment

Pounds sterling (the **Contractual Currency**) is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed and the Notes, including damages.

21.2 Extent of Discharge

An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise), by the Trustee or any Noteholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

21.3 Indemnity

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Notes, the Issuer will indemnify it, on an after tax basis, against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient, on an after tax basis, against the cost of making any such purchase.

21.4 Indemnity Separate

The indemnities in this Clause 21 (*Currency Indemnity*) and in Clause 14.6 (*Remuneration and Indemnification of Trustee*) constitute separate and independent obligations from the other obligations in these presents, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Noteholder and will continue in full force and effect despite any judgment, order, claim or

proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Notes or any other judgment or order.

22. NEW TRUSTEE

- 22.1 The power to appoint a new trustee of these presents shall, subject as hereinafter provided, 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, the Transfer Agents and the Noteholders.

SEPARATE AND CO-TRUSTEES

- 22.2 Notwithstanding the provisions of subclause 22.1 above, the Trustee may, upon giving prior notice to the Issuer (but without the consent of the Issuer or the Noteholders), 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 proper 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. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee may be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this clause, without the execution or filing of any paper or any further act on the part of any parties hereto.

23. TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of these presents may retire at any time on giving not less than three calendar 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 may by Extraordinary Resolution 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 (for the avoidance of doubt, disregarding for this purpose any separate or co-trustee appointed under subclause 22.2) giving notice under this clause or being removed by Extraordinary Resolution it will use its best 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 30 days 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.

24. 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.

25. NOTICES

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

to the Issuer:	Paragon Banking Group PLC 51 Homer Road Solihull West Midlands B91 3QJ United Kingdom (Attention: Company Secretary) Facsimile No. +44 (0)121 712 2072 Email: projecteast@paragonbank.co.uk
to the Trustee:	Citigroup Trustee Company Limited 6th Floor, Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom (Attention: The Trustee Directors) Facsimile No. +44 (0)20 3060 4796 Email: emea.at.debt@citi.com

or to such other address, email or facsimile number as shall have been notified (in accordance with this clause) to the other party hereto. Any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served two days in the case of inland post or seven days in the case of overseas post after dispatch, any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served at the time of dispatch provided that in the case of a notice or demand given by facsimile transmission a confirmation of transmission is received by the sending party and 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 facsimile transmission) in each case

PROVIDED THAT any such notice or other communication which would otherwise take effect after 4.00 p.m. or any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

26. GOVERNING LAW

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

27. SEVERABILITY

In case any provision in or obligation under these presents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligations in any other jurisdiction, shall not in any way be affected or impaired thereby.

28. SUBMISSION TO JURISDICTION

The Issuer irrevocably agrees for the benefit of the Trustee and the Noteholders 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 and accordingly submit 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 and the Noteholders may take any suit, action or proceeding 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.

29. 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.

30. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to these presents has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these presents, 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 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

FORM OF GLOBAL NOTE CERTIFICATE

THIS GLOBAL NOTE CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY STATE SECURITIES LAWS AND THE ISSUER HAS NOT BEEN REGISTERED AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE 1940 ACT). NEITHER THIS GLOBAL NOTE CERTIFICATE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH DO NOT REQUIRE THE ISSUER TO REGISTER UNDER THE 1940 ACT.

ISIN: XS2312738599
Common Code: 231273859

PARAGON BANKING GROUP PLC

(Incorporated with limited liability under the laws of
England and Wales with limited liability under registered number 02336032)

GLOBAL NOTE CERTIFICATE

representing

£150,000,000 4.375 PER CENT. FIXED RATE RESET CALLABLE SUBORDINATED TIER 2 NOTES DUE 2031

Paragon Banking Group PLC (the **Issuer**) hereby certifies that Citivic Nominees Limited is, at the date hereof, entered in the Register as the holder of the aggregate principal amount of £150,000,000 of a duly authorised issue of Notes (the **Notes**) described above of the Issuer. References herein to the Conditions (or to any particular numbered Condition) shall be to the Conditions (or that particular one of them) set out in Schedule 2 to the Trust Deed referred to below. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note Certificate. This Global Note Certificate is issued subject to, and with the benefit of, the Conditions and a Trust Deed dated 25 March 2021 and made between the Issuer and Citicorp Trustee Company Limited (the **Trustee**) as trustee for the Noteholders.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the registered holder hereof on 25 September 2031 and/or on such earlier date(s) as all or any of the Notes represented by this Global Note Certificate may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the principal amount of the Notes outstanding from time to time represented by this Global Note Certificate 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. At maturity, and prior to the payment of any amount due, the registered holder hereof shall surrender this Global Note Certificate at the specified office of the Registrar at Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom

(the **Specified Office**) or such other office as may be specified by the Issuer and approved by the Trustee. On any redemption or purchase and cancellation of any of the Notes represented by this Global Note Certificate, details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the Schedule hereto and the relevant space in the Schedule hereto recording any such redemption or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Registrar. Upon any such redemption or purchase and cancellation the principal amount outstanding of this Global Note Certificate and the Notes held by the registered holder hereof shall be reduced by the principal amount of such Notes so redeemed or purchased and cancelled. The principal amount outstanding of this Global Note Certificate and of the Notes held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any exchange as referred to below shall be the outstanding principal amount most recently entered in the fourth column in the Schedule hereto.

Payments due in respect of Notes represented by a Global Note Certificate, which, according to the Conditions, require surrender or endorsement of a Note Certificate, shall be made to or to the order of the registered holder and such payment will discharge the obligations of the Issuer in respect of the relevant payment under the Notes. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made to or the order of the registered holder. **Accountholder** means each person who is shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of the Notes.

In the case of all payments made in respect of the Global Note Certificate, so long as the Global Note Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an **Alternative Clearing System**), the definition for **payment business day** in Condition 6(d) (*Payments on business days*) shall be amended and shall be any day on which banks are open for general business (including dealings in foreign currencies) in London.

For so long as all Notes are held in Euroclear or Clearstream, Luxembourg, the Record Date shall be determined in accordance with Condition 6(f) (*Record date*) provided that the words “fifteenth day” shall be deemed to be replaced with “Euroclear or Clearstream, Luxembourg Business Day”. **Euroclear or Clearstream, Luxembourg Business Day** means a day on which each clearing system is open for business.

Notes represented by this Global Note Certificate are exchangeable and transferable only in accordance with, and subject to, the provisions hereof and the rules and operating procedures of Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**).

Registration of title to Notes in a name other than that of Citivic Nominees Limited (or any replacement successor nominee for the Clearing Systems) will be permitted only if (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (ii) any of the circumstances described in Condition 8 (*Events of Default*) occurs. The Issuer shall notify the registered holder of the Global Note Certificate of the occurrence of any of the events specified in (i) and (ii) as soon as practicable thereafter.

Whenever the Global Note Certificate is to be exchanged in whole (but not in part) for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of such person's holding) against the surrender of the Global Note Certificate at the Specified Office of the

Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any registered holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, **business day** means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has either the office identified with its name in the Conditions of the Notes or any other office notified to any relevant parties pursuant to the Agency Agreement.

Upon the exchange of the whole of this Global Note Certificate for Individual Note Certificates, details of such exchange shall be entered by or on behalf of the Issuer in the third column of the Schedule hereto and the relevant space in the Schedule hereto recording such exchange shall be signed by or on behalf of the Registrar, whereupon the outstanding principal amount of this Global Note Certificate and the Notes held by the registered holder hereof shall be increased or reduced (as the case may be) by the principal amount so exchanged.

Subject as provided in the following paragraph, until the exchange of the whole of this Global Note Certificate as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Individual Note Certificates in the form set out in Part 1 of Schedule 2 to the Trust Deed.

Subject as provided in the Trust Deed, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular principal amount of the Notes represented by this Global Note Certificate (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such principal amount of such Notes for all purposes (including for purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to payments of principal and interest on the Notes for which purpose the registered holder of this Global Note Certificate shall be deemed to be the holder of such principal amount of the Notes in accordance with and subject to the terms of this Global Note Certificate and the Trust Deed.

Notwithstanding Condition 15, (*Notices*) for so long as all of the Notes are represented by this Global Note Certificate and this Global Note Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) for communication to the relative accountholders rather than by publication as required by Condition 15 (*Notices*) provided that, so long as the Notes are listed on the Main Market of the London Stock Exchange or on any other stock exchange, notices will also be given in accordance with any applicable requirements of such stock exchange.

For so long as the Notes are represented by this Global Note Certificate and this Global Note Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System then, in respect of any resolution proposed by the Issuer or the Trustee:

- (a) 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 Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System as provided in the Trust Deed, 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 Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be) 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 aggregate principal amount of the Notes outstanding by close of business of the relevant time and date for the blocking of their accounts in Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (an **Electronic Consent**). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether an Extraordinary Resolution in writing 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), (i) by accountholders in Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be) with entitlements to such Global Note Certificate and/or, (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that Accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be), in the case of (ii) above, Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be) and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any Extraordinary Resolution in writing passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholders 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.

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

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

This Global Note Certificate is governed by, and shall be construed in accordance with, English law and the Issuer submits to the jurisdiction of the courts of England for all purposes in connection with this Global Note Certificate.

This Global Note Certificate shall not be valid unless authenticated by Citibank, N.A., London Branch as Principal Paying Agent.

IN WITNESS whereof the Issuer has caused this Global Note Certificate to be signed on its behalf.

PARAGON BANKING GROUP PLC

By:
(Duly authorised)

Issued in London, England on 25 March 2021.

Certificate of authentication

This Global Note Certificate is duly authenticated
without recourse, warranty or liability.

.....
Duly authorised
for and on behalf of
Citibank, N.A., London Branch
as Principal Paying Agent

SCHEDULE

Outstanding Principal Amount

The following (i) exchanges of this Global Note Certificate for Individual Note Certificates (only in the limited circumstances set forth in the Conditions), (ii) payments of any redemption amount in respect of this Global Note Certificate and/or (iii) cancellations of interests in this Global Note Certificate have been made, resulting in the principal amount outstanding hereof being the amount specified in the latest entry in the fourth column:

Date	Amount of increase/ decrease in outstanding principal amount of this Global Note Certificate	Reasons for increase/ decrease in outstanding principal amount of this Global Note Certificate (initial issue, cancellation, redemption or payment)	Outstanding principal amount of this Global Note Certificate following such increase/ decrease	Notation made by or on behalf of the Registrar

SCHEDULE 2

FORM OF INDIVIDUAL NOTE CERTIFICATE AND CONDITIONS OF THE NOTES

PART 1

FORM OF INDIVIDUAL NOTE CERTIFICATE

[0,000/00,000]	XS2312738599	[SERIES]	[SERIAL NO.]
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PARAGON BANKING GROUP PLC

(Incorporated with limited liability under the laws of
England and Wales with limited liability under registered number 02336032)

£150,000,000 4.375 PER CENT. FIXED RATE RESET CALLABLE SUBORDINATED TIER 2 NOTES DUE 2031

The issue of the Notes was authorised by a resolution of the Board of Directors of **Paragon Banking Group PLC** (the **Issuer**) passed on 28 January 2021 and a resolution of a duly authorised subcommittee passed on 11 March 2021.

This Note forms one of a series of Notes constituted by a Trust Deed (the **Trust Deed**) dated 25 March 2021 made between the Issuer and Citicorp Trustee Company Limited as trustee for the holders of the Notes and issued as Registered Notes in the denomination of £100,000 each or integral multiple of £1,000 in excess thereof, in an aggregate principal amount of £150,000,000.

THIS IS TO CERTIFY that

is/are the registered holder(s) of one of the above-mentioned Registered Notes, such Note being in the denominations of £100,000 and integral multiples of £1,000 in excess thereof (pounds sterling) and is/are entitled on 25 September 2031 (or on such earlier date as the principal sum hereinafter mentioned may become repayable in accordance with the Conditions endorsed hereon) to the repayment of such principal sum of:

£

(pounds sterling)

together with such other amounts (if any) as may be payable, all subject to and in accordance with the said Conditions and the provisions of the Trust Deed.

Interest at rates determined in accordance with the said Conditions is payable on the said principal sum semi-annually in arrear on 25 March and 25 September in each year, subject to and in accordance with the said Conditions and the provisions of the Trust Deed.

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

PARAGON BANKING GROUP PLC

By:

Director/Authorised Signatory

By:.....
Director/Authorised Signatory

Dated ●, 2021.

Issued in London, England.

Certificate of authentication

This Note is duly authenticated
without recourse, warranty or liability.

.....

Duly authorised
for and on behalf of
Citibank, N.A., London Branch
as Registrar

FORM OF TRANSFER OF REGISTERED NOTE

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

.....
.....
.....

(Please print or type name and address (including postal code) of transferee)

£[] principal amount of this Note and all rights hereunder, hereby irrevocably constituting and appointing as attorney to transfer such principal amount of this Note in the register maintained by PARAGON BANKING GROUP PLC with full power of substitution.

Signature(s).....

.....

Date: [20]

N.B.:

1. This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.
2. The signature(s) on this form of transfer must correspond with the name(s) as it/they appear(s) on the face of this Note in every particular, without alteration or enlargement or any change whatever.

PART 2

CONDITIONS OF THE NOTES

The £150,000,000 4.375 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2031 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series therewith) of Paragon Banking Group PLC (the "**Issuer**") are constituted by, are subject to, and have the benefit of, a trust deed dated 25 March 2021 (the "**Issue Date**") (as amended and/or restated and/or supplemented from time to time, the "**Trust Deed**") made between the Issuer and Citicorp Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 25 March 2021 (as amended and/or restated and/or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as agent bank (the "**Agent Bank**", which expression includes any successor agent bank appointed from time to time in connection with the Notes) and the Trustee. References herein to the "**Agents**" are to the Registrar, the Principal Paying Agent, the Transfer Agents, the Paying Agents and the Agent Bank and any reference to an "**Agent**" is to any one of them. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the registered office for the time being of the Principal Paying Agent, being at the date hereof Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below. References to "**£**", "**sterling**" and "**pounds sterling**" are to the lawful currency for the time being of the United Kingdom.

1. Form and Denomination

The Notes are issued in registered form in denominations of £100,000 and integral multiples of £1,000 in excess thereof (each, an "**Authorised Denomination**").

2. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

- (b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.
- (c) *Transfers:* Subject to Conditions 2(f) (*Closed periods*) and 2(g) (*Regulations concerning transfers and registration*) below, and to the conditions set forth in the Agency Agreement, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.
- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 2(c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 2(d) (*Registration and delivery of Note Certificates*), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer or registration.
- (f) *Closed periods:* Noteholders may not require transfers to be registered (i) during the period of 15 days prior to any date on which the Notes may be called for redemption by the Issuer at its option pursuant to Conditions 5(b) (*Redemption at the option of the Issuer*), 5(c) (*Redemption for tax reasons*) and 5(d) (*Regulatory Event Redemption*) or substituted pursuant to Condition 5(h) (*Substitution and Variation*), (ii) after the Notes have been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(f)).
- (g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed. 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 mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3. Status and Subordination of the Notes

- (a) *Status*: The Notes constitute direct, unsecured and, in accordance with Condition 3(b) (*Subordination*) subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.
- (b) *Subordination*: In the event of a winding up or administration of the Issuer, the claims of Noteholders and the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed) against the Issuer in respect of or arising under the Notes (including any damages awarded for breach of any obligations in respect of the Notes) will be subordinated in the manner provided herein and in the Trust Deed to the claims of all Senior Creditors (as defined below) but shall rank:
 - (i) at least *pari passu* with all claims of holders of all other subordinated obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith ("**Parity Securities**"); and
 - (ii) in priority to the claims of holders of:
 - (A) all obligations of the Issuer which rank or are expressed to rank, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which rank or are expressed to rank, junior to the claims in respect of the Notes, including (without limitation) obligations which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith; and
 - (B) all classes of share capital of the Issuer, (together, the "**Junior Securities**").

In these Conditions:

"**Competent Authority**" means the United Kingdom Prudential Regulation Authority or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Group;

"**EU CRD**" means:

- (i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investments firms, as amended before IP completion day; and
- (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended before IP completion day;

"**Group**" means the Issuer and its subsidiaries;

"IP completion day" has the meaning given in the European Union (Withdrawal Agreement) Act 2020;

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

"Regulatory Capital Requirements" means, at any time, any requirements contained in the laws, regulations, requirements, standards, guidelines and policies of the Competent Authority, any other national and/or European authority, then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be incorporated or domiciled) relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions and applicable to the Issuer and/or the Group including UK CRD;

"secondary non-preferential debts" shall have the meaning given to it in the Order and any other law or regulation applicable to the Issuer which is amended by the Order, as each may be amended or replaced from time to time;

"Senior Creditors" means creditors of the Issuer (i) who are unsubordinated creditors of the Issuer; (ii) who are subordinated creditors of the Issuer (whether only in the event of a winding-up of the Issuer or otherwise) other than (x) those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders or (y) those whose claims are in respect of Parity Securities or Junior Securities; or (iii) who are creditors in respect of any secondary non-preferential debts;

"Tier 1 Capital" and **"Tier 2 Capital"** have the respective meanings given to such terms (or any successor such terms) in the Regulatory Capital Requirements from time to time;

"UK CRD" means the legislative package consisting of:

- (i) the UK CRD Regulation;
- (ii) the law of the UK or any part of it (as amended or replaced in accordance with domestic law from time to time), which immediately before IP completion day implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures, such Directive as amended before IP completion day; and
- (iii) direct EU legislation (as defined in the Withdrawal Act), which immediately before IP completion day implemented EU CRD as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act and as the same may be amended or replaced in accordance with domestic law from time to time;

"UK CRD Regulation" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended before IP completion day, as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act and as the same may be further amended or replaced in accordance with domestic law from time to time; and

"Withdrawal Act" means the European Union (Withdrawal) Act 2018.

- (c) *Set-Off*: Subject to applicable law, no Noteholder may exercise or claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes and each Noteholder will, by virtue of their holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts due and payable to any Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding up, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. **Interest**

(a) *Interest and Interest Payment Dates*

The Notes bear interest on their outstanding principal amount from and including the Issue Date at the applicable Interest Rate in accordance with the provisions of this Condition 4 (*Interest*). Interest will be payable semi-annually in arrear on 25 March and 25 September of each year from (and including) 25 September 2021 up to (and including) the Maturity Date (as defined below) (each an **"Interest Payment Date"**), subject as provided in Condition 6 (*Payments*).

(b) *Interest Accrual*

Each Note will cease to bear interest from and including its due date for redemption unless, upon due surrender of the relevant Note Certificate, payment of the principal due in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Registrar or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Calculation of interest*

Interest shall be calculated per Calculation Amount. Accordingly, the amount of interest payable in respect of a Note for a relevant period for which interest is to be calculated shall be calculated by (i) multiplying the Day Count Fraction by the product of the Calculation Amount and the applicable Interest Rate, (ii) rounding the resultant figure to the nearest £0.01 (£0.005 being rounded upwards) and (iii) multiplying that rounded figure by a fraction the numerator of which is the principal amount of such Note and the denominator of which is the Calculation Amount.

The amount of interest payable on each Interest Payment Date up to (and including) the Reset Date will be £21.875 per Calculation Amount.

For the purposes of these Conditions:

"Calculation Amount" means £1,000 in principal amount of Notes;

"Day Count Fraction" means, in respect of any period, the number of days in the relevant period from (and including) the first day in such period to (but excluding) the last day in such period, divided by the product of (1) the number of days in the Regular Period in which the relevant period falls and (2) two; and

"Regular Period" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

(d) *Initial Interest Rate and Reset Interest Rate*

Interest will accrue:

- (i) at 4.375 per cent. per annum (the **"Initial Interest Rate"**) from (and including) the Issue Date to (but excluding) 25 September 2026 (the **"Reset Date"**); and
- (ii) from (and including) the Reset Date to (but excluding) the Maturity Date (the **"Reset Period"**) at the Reset Interest Rate,

and references in these Conditions to the **"applicable Interest Rate"** shall be construed accordingly.

The **"Reset Interest Rate"** shall be the sum of the Reference Bond Rate (as determined by the Agent Bank on the date (the **"Reset Determination Date"**) falling two Business Days prior to the Reset Date) and the initial margin of 3.956 per cent., rounding the resultant figure to three decimal places (with 0.0005 being rounded down) where:

"Reference Bond Rate" means, with respect to the Reset Determination Date, the gross redemption yield in respect of the Reset Reference Bond expressed as a percentage and calculated by the Agent Bank in accordance with generally accepted market practice, as determined by the Issuer following consultation with an investment bank or independent adviser of appropriate expertise and recognised standing and agreed to by the Agent Bank, at such time on a semi-annual compounding basis (rounded up (if necessary) to three decimal places), assuming a price for the Reset Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for the Reset Determination Date;

"Reference Government Bond Dealer" means each of three banks selected by the Issuer (following, where practicable, consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer), or the affiliates of such banks, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and the Reset Determination Date, the arithmetic average (as determined by the Agent Bank), of the bid and offered prices for the Reset Reference Bond (expressed in each case as a percentage of its principal amount) as at approximately 11.00 a.m. (London time) on the Reset Determination Date on a dealing basis for settlement that is customarily used at such time and quoted, at the request of the Issuer, in writing to the Agent Bank by such Reference Government Bond Dealer;

"Reset Reference Bond" means the security or securities issued by the United Kingdom government selected by the Issuer (after consultation with an investment bank or financial institution of international repute determined to be appropriate by the Issuer) as having the nearest actual or interpolated maturity comparable with the Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in Sterling and of a comparable maturity to the Reset Period; and **"Reset Reference Bond Price"** means:

- (i) the arithmetic average of the bid and offered prices for the Reset Reference Bond (expressed as a percentage of its principal amount) which appears on Bloomberg PXUK (or any successor or replacement page or any other source as specified by the Issuer) as at approximately 11.00 a.m. (London time) on the Reset Determination Date;
- (ii) if such bid and offered prices for the Reset Reference Bond do not appear on that page or source, the Reset Reference Bond Price shall be determined based on the Reference Government Bond Dealer Quotations requested by the Issuer for the Reset Determination Date, as follows:
 - (A) if fewer than three but more than one such Reference Government Bond Dealer Quotations are received, the arithmetic average (as determined by the Agent Bank) of all such quotations; or
 - (B) if only one Reference Government Bond Dealer Quotation is received, such quotation; or
 - (C) if no Reference Government Bond Dealer Quotations are received, 0.419 per cent. per annum.

(e) *Determination and Notification of the Reset Interest Rate*

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) on the Reset Determination Date, determine the Reset Interest Rate and shall promptly thereafter notify the same to the Issuer, the Paying Agents, the Trustee and any stock exchange on which the Notes are for the time being listed or admitted to trading or other relevant authority. As soon as reasonably practicable thereafter (and in any event no later than the fourth Business Day following the Reset Date), the Agent Bank shall cause notice of the Reset Interest Rate to be given to the Noteholders in accordance with Condition 15 (*Notices*).

The Reset Interest Rate so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of a manifest error, and the amended Reset Interest Rate shall promptly thereafter be notified to the Issuer, the Paying Agents, the Trustee, any stock exchange on which the Notes are for the time being listed or admitted to trading and to the Noteholders in accordance with Condition 15 (*Notices*).

(f) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained whether from or by the Reference Government Bond Dealers (or any of them) or the Agent Bank for the purposes of this Condition 4 (*Interest*) shall, in the absence of manifest error, be binding on the Issuer,

the Trustee, the Registrar, any Paying Agent, the Agent Bank and the Noteholders and (in the absence of gross negligence, wilful default and fraud) no liability to the Issuer, the Trustee or the Noteholders will attach to the Reference Government Bond Dealers (or any of them) in connection with any such quotations or the Agent Bank in connection with the exercise or non-exercise of any of its powers, duties and discretions under this Condition with respect to the Notes.

5. Redemption, Purchase, Substitution and Variation

(a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 25 September 2031 (the "**Maturity Date**"), subject as provided in Condition 6 (*Payments*).

(b) *Redemption at the option of the Issuer:* The Issuer may, in its sole discretion but subject to Condition 5(g) (*Conditions to Redemption*) and having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), the Trustee and the Agents (which notice shall be irrevocable), elect to redeem the Notes, in whole but not in part, on any day (from and including) 25 June 2026 to (and including) the Reset Date at an amount equal to their principal amount together with unpaid interest accrued to (but excluding) the date fixed for redemption.

(c) *Redemption for tax reasons:* Subject to Condition 5(g) (*Conditions to Redemption*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), the Trustee and the Agents (which notice shall be irrevocable) at an amount equal to their principal amount, together with unpaid interest accrued to (but excluding) the date fixed for redemption, if as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which the Relevant Jurisdiction is a party, or any change in the official application of such laws or regulations which change or amendment becomes effective on or after the Issue Date, including a decision of any court or tribunal which becomes effective on or after the Issue Date:

(i) the Issuer will or would on the next Interest Payment Date be required to pay, Additional Amounts as provided or referred to in Condition 7 (*Taxation*); or

(ii) the Issuer is not or would not be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes, or such a deduction is or would be reduced or deferred; or

(iii) the Issuer is not or would not, as a result of the Notes being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date or any similar system or systems having like effect as may from time to time exist); or

(iv) the Issuer would be required to bring into account any amount of income, profit or gain or other tax credit or taxable item for tax purposes, or any other liability to tax would arise, in respect of the write-down or conversion of the Notes into shares, or both as a result of the exercise of any regulatory powers (including, under the Banking Act 2009, as amended); or

(v) the Issuer is or would be prevented from treating the Notes as loan relationships for United Kingdom tax purposes; or

(vi) the Issuer will have to treat the Notes or any part thereof as a derivative or an embedded derivative for United Kingdom tax purposes, (each a "**Tax Event**").

In these Conditions, "**Relevant Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

Prior to giving notice of redemption in accordance with this Condition 5(c) (*Redemption for tax reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 5(c) (*Redemption for tax reasons*) have been met. The Trustee may accept and rely on any such certificate as sufficient evidence of the matters set out therein and shall not be required to call for any further evidence in respect thereof and, if it does so accept and rely, such certificate shall be binding on the Trustee and the Holders.

Upon the expiry of any such notice referred to in this Condition 5(c) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(c) (*Redemption for tax reasons*).

(d) *Regulatory Event Redemption*: Subject to Condition 5(g) (*Conditions to Redemption*) below, the Notes may be redeemed at the option of the Issuer, in whole but not in part, at an amount equal to their principal amount together with unpaid interest accrued to (but excluding) the date of redemption, at any time on the Issuer giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), the Trustee and the Agents (which notice shall be irrevocable), if there is a change in the regulatory classification of the Notes which becomes effective on or after the Issue Date that results, or would be likely to result, in the whole or any part of the principal amount of the Notes at any time being excluded from the Group's Tier 2 Capital (a "**Regulatory Event**").

Prior to giving notice of redemption in accordance with this Condition 5(d), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 5(d) (*Regulatory Event Redemption*) have been met. The Trustee may accept and rely on any such certificate as sufficient evidence of the matters set out therein and shall not be required to call for any further evidence in respect thereof and, if it does so accept and rely, such certificate shall be binding on the Trustee and the Holders.

(e) *Purchase*: Subject to obtaining Supervisory Permission, the Issuer or any of its Subsidiaries may purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise at any time in accordance with the then prevailing Regulatory Capital Requirements. Such Notes may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, surrendered to the Registrar or any Paying Agent for cancellation.

(f) *Cancellation*: All Notes redeemed pursuant to this Condition 5 will be cancelled.

(g) *Conditions to Redemption*: Any redemption under Conditions 5(b) (*Redemption at the option of the Issuer*), 5(c) (*Redemption for tax reasons*) or 5(d) (*Regulatory Event Redemption*) is subject to the Issuer obtaining Supervisory Permission and to compliance with the Regulatory Preconditions.

In these Conditions:

"**Authorised Signatories**" has the meaning given to it in the Trust Deed.

"**Issue Date**" means 25 March 2021.

"**Regulatory Preconditions**" means, in relation to any redemption of the Notes under Conditions 5(b) (*Redemption at the option of the Issuer*), 5(c) (*Redemption for tax reasons*) or 5(d) (*Regulatory Event Redemption*), to the extent required by the prevailing Regulatory Capital Requirements:

(i)

(A) before or at the same time as such redemption, the Group having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Group; or

(B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds of the Group would, following such redemption, exceed its minimum capital requirements (including any capital buffer requirements) by a margin that the Competent Authority considers necessary at such time; and

(ii) in the case of a redemption pursuant to Condition 5(c) (*Redemption for tax reasons*) or 5(d) (*Regulatory Event Redemption*) occurring prior to the fifth anniversary of the Issue Date only,

(A) in the case of a redemption due to the occurrence of a Regulatory Event, the Competent Authority considering such change to be sufficiently certain and the Issuer having demonstrated to the satisfaction of the Competent Authority that such Regulatory Event was not reasonably foreseeable as at the Issue Date; or

(B) in the case of a redemption due to the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that such Tax Event is material and was not reasonably foreseeable as at the Issue Date,

provided that if, at the time of such redemption, the prevailing Regulatory Capital Requirements permit the redemption after compliance with one or more alternative or additional pre-conditions to those set out in paragraphs (i) and (ii) of this definition, the Issuer having complied with such other pre-condition(s).

The granting of Supervisory Permission in respect of such redemption shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as conclusive and sufficient evidence of the satisfaction of these pre-conditions.

"**Subsidiary**" has the meaning given to it in Section 1159 of the Companies Act 2006.

"Supervisory Permission" means, in relation to any actions, such supervisory permission required therefor within prescribed periods from, the Competent Authority, or such waiver of the then prevailing Regulatory Capital Requirements from the Competent Authority, as is required under the then prevailing Regulatory Capital Requirements.

- (h) *Substitution and Variation*: Subject to Supervisory Permission, upon the occurrence of a Tax Event or a Regulatory Event, the Issuer may at any time, in its sole discretion and without any requirement for the consent or approval of the Noteholders, 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, Compliant Notes.

Any substitution or variation in accordance with this Condition 5(h) (*Substitution and Variation*) is subject to the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (*Notices*), the Trustee and the Agents (which notice shall be irrevocable and shall specify the date for substitution or, as the case may be, variation of the Notes). Upon the expiry of the notice required by this Condition 5(h) (*Substitution and Variation*), the Issuer shall either substitute or vary the terms of the Notes in accordance with this Condition 5(h) (*Substitution and Variation*) and, subject as set out below, the Trustee shall be obliged to agree to such substitution or variation.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 5(h) (*Substitution and Variation*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Tax Event or Regulatory Event, as the case may be, giving rise to the right to substitute or vary has occurred and is continuing and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Noteholders and the Trustee.

The Trustee shall concur in the substitution of the Notes for Compliant Notes, or the variation of the terms of the Notes so that they remain or become Compliant Notes, as the case may be, provided that the Trustee shall not be obliged to concur in any such substitution or variation if the terms of the proposed Compliant Notes or the concurring in such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction. If, notwithstanding the above, the Trustee does not concur in such substitution or variation provided above, the Issuer may redeem the Notes as provided in Conditions 5(c) (*Redemption for tax reasons*) or 5(d) (*Regulatory Event Redemption*), as applicable.

"Compliant Notes" means, in relation to the Notes, securities issued directly by the Issuer:

- (i) that have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an investment bank or independent adviser of appropriate expertise and recognised standing (which in either case is independent of the Issuer)), and provided that a certification to such effect of two Authorised Signatories of the Issuer shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without enquiry or liability to any person and without any obligation to verify or investigate the accuracy thereof) prior to the issue or, as appropriate, variation of the relevant securities);

(ii) that (A) contain terms that comply with the then prevailing Regulatory Capital Requirements in relation to Tier 2 Capital, (B) have a ranking at least equal to the Notes, (C) include terms which provide for the same applicable Interest Rate, Interest Payment Dates, Maturity Date and amounts payable on redemption as apply from time to time to the Notes immediately prior to such substitution or variation, (D) shall preserve any existing rights under these Conditions to any accrued interest and/or principal which have not been satisfied and (E) do not contain terms providing for the mandatory or voluntary deferral of payments of principal and/or interest;

(iii) that are listed on a recognised stock exchange (within the meaning of Section 1005 of the Income Tax Act 2007 (as the same may be amended, supplemented or replaced from time to time)) or admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange (within the meaning of section 987 of the Income Tax Act 2007 (as the same may be amended, supplemented or replaced from time to time)) and/or are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, in each case to the extent, and on the same such other listing authority, stock exchange and/or quotation system, that the Notes were so listed or admitted to listing, trading, and/or quotation (as the case may be) immediately prior to such substitution or variation; and

(iv) where the Notes have a published solicited rating from one or more rating agencies immediately prior to their substitution or variation, to which each such rating agency has assigned, or informed the Issuer by an announcement or otherwise of its intention to assign, an equal or higher published solicited rating.

6. **Payments**

- (a) *Principal:* Payments of principal shall be made by sterling cheque drawn on, or, upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a sterling account maintained by the payee with, a bank in London and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by sterling cheque drawn on, or, upon application by a Holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a sterling account maintained by the payee with, a bank in London and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a sterling account, payment instructions (for value the due date, or, if the due date is not a payment business day, for value the next succeeding payment business day) will be

initiated and, where payment is to be made by sterling cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a payment business day or (B) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail. In this Condition 6(d), "**payment business day**" means any 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, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).

- (e) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date*: Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

7. **Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer shall pay such additional amounts in respect of the payment of any interest on the Notes (but not in respect of the payment of any principal) ("**Additional Amounts**") as will result in receipt by the Noteholders after such withholding or deduction of such amounts in respect of payments of interest on the Notes as would have been receivable by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

- (a) to or on behalf of a Holder, where that Holder or, where the Notes are in definitive form, that Holder or the beneficial owner of the relevant Notes, is liable to such Taxes in respect of such Note by reason of its having some connection with the Relevant Jurisdiction other than the mere holding or ownership of the Note; or
- (b) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such Additional Amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days; or

- (c) where the Holder of the relevant Notes failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the Relevant Jurisdiction of such Holder, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a condition to relief or exemption from such taxes.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Registrar or another Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to interest shall be deemed to include any Additional Amounts in respect of interest which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay any Additional Amounts on account of any FATCA Withholding Tax.

8. Events of Default

- (a) If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one-quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice:
 - (i) *Non-payment*: in the event that any principal or interest on the Notes has not been paid within 7 days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment, institute proceedings in a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) for the winding-up of the Issuer and/or prove in its winding up and/or claim in its liquidation or administration, **provided that** the Issuer shall not be in default if it satisfies the Trustee during the 7 or 14 day period (as applicable) that such sums were not paid in order to comply with any mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers acceptable to the Trustee; or
 - (ii) *Limited remedies for breach of Performance Obligations*: institute such proceedings against the Issuer as it may think fit to enforce any term, obligation or condition binding on the Issuer under the Notes or the terms of the Trust Deed (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation,

payment of any principal or interest) (a "**Performance Obligation**"); **provided always that** the Trustee (acting on behalf of the Noteholders but not the Trustee acting in its personal capacity under the Trust Deed) and the Noteholders shall not enforce, and shall not be entitled to enforce or otherwise claim against the Issuer, any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding up of the Issuer and/or claiming such Monetary Judgment in an administration of the Issuer.

Nothing in this Condition 8(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (b) If a Winding-Up Event occurs, the Trustee at its discretion may and, if so requested in writing by the Holders of at least one-quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) declare the Notes to be due and repayable immediately (and the Notes shall thereby become so due and repayable) at their outstanding principal amount together with any accrued but unpaid interest as provided in the Trust Deed and payments are subject to the subordination provisions set out in Condition 3 (*Status and Subordination of the Notes*).

No Holder of any Notes shall be entitled to proceed directly against the Issuer or institute any of the proceedings referred to in this Condition 8 (*Events of Default*) or to prove in the winding up of the Issuer, except that, if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in such winding up, fails or is unable to do so, in each case within 90 days, and in each such case such failure or inability shall be continuing, then any such Holder may itself institute such proceedings and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of its Notes.

No remedy against the Issuer other than the institution of the proceedings referred to above or proving in the winding up of the Issuer, shall be available to the Trustee or the Holders of the Notes whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or under the Trust Deed.

Neither a reduction or cancellation, in part or in full, of the Amounts Due (as defined in Condition 17 (*Agreement and Acknowledgement with Respect to the Exercise of Bail-in Power*)), the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority (each as defined in Condition 17 (*Agreement and Acknowledgement with Respect to the Exercise of Bail-in Power*)) with respect to the Issuer, nor the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes will be an event of default or default for any purpose.

In these Conditions, "**Winding-Up Event**" means with respect to the Notes, if (i) a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer may be incorporated) makes an order for the winding-up of the Issuer which is not successfully appealed within 30 days of the making of such order or the Issuer's shareholders adopt an effective resolution for the winding-up of the Issuer (except, in any such case, a solvent winding up solely for the purposes of a reorganisation, reconstruction, merger or

amalgamation the terms of which, have previously been approved in writing by the Trustee or by an Extraordinary Resolution of Holders and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions); or (ii) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; or (iii) liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (i) or (ii) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009, as amended.

9. **Prescription**

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes, subject to Condition 6 (*Payments*).

10. **Replacement of Note Certificates**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar or any Agent, subject to all applicable laws, competent authority and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and/or Registrar may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are set out in the Agency Agreement. The Issuer reserves the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar, principal paying agent or agent bank and additional or successor paying agents and transfer agents; **provided, however, that** the Issuer shall at all times maintain:

- (a) a Principal Paying Agent, a Registrar, a Transfer Agent and an Agent Bank; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, a paying agent and a transfer agent in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

12. Meetings of Noteholders; Modification and Waiver; Substitution

(a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings (including by way of audio or video conference call) of Noteholders to consider matters affecting their interests relating to the Notes, including the modification or abrogation by Extraordinary Resolution of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution, subject to Condition 12(d) (*Competent Authority notice or consent*). Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing more than 50 per cent. of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to modify the provisions of Condition 3 (*Status and Subordination of the Notes*) or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than two thirds or, at any adjourned meeting, not less than one third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and whether or not they voted on the resolution.

In addition, the Trust Deed provides that a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification and waiver:* Subject to Condition 12(d) (*Competent Authority notice or consent*), the Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) or the Agency Agreement which is, in the opinion of the Trustee not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is, in the Trustee's opinion, of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) or the Agency Agreement if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, the Trustee shall be obliged to concur with the Issuer and use its reasonable endeavours to effect such modifications to these Conditions or the Trust Deed as may be required in order to give effect to Condition 5(h) (*Substitution and Variation*) without the consent of Noteholders.

Any such authorisation, waiver or modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter.

- (c) *Substitution*: Subject to (i) Condition 12(d) (*Competent Authority notice or consent*), (ii) such amendments to the Trust Deed as the Trustee may require and (iii) certain other conditions set out in the Trust Deed being complied with (including, the Trustee being of the opinion that the substitution is not materially prejudicial to the interest of the Noteholders), but without the consent of Noteholders, the Trustee may also agree to the substitution in place of the Issuer (or of any previous substitute under this Condition) of any other company being a Subsidiary of the Issuer as the principal debtor under the Notes and the Trust Deed.

In connection with any substitution of the Issuer pursuant to this Condition 12(c) (*Substitution*) or any substitution of the Notes pursuant to Condition 5(h) (*Substitution and Variation*), the Trustee need not have any regard to the consequences of any such substitution for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Trustee or the Issuer any indemnification or other payment in respect of any tax or other consequences arising as a result of or from such substitution.

Unless the Trustee agrees otherwise, any such substitution shall be notified to the Noteholders as soon as practicable thereafter.

- (d) *Competent Authority notice or consent*: The provisions relating to the Notes shall only be capable of modification or waiver and the Issuer may only be substituted in accordance with Condition 12(c) (*Substitution*) above, if the Issuer has notified the Competent Authority of such modification, waiver or substitution and/or obtained the permission of the Competent Authority, (if such notice and/or consent is then required by the Regulatory Capital Requirements).
- (e) *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 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 (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (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 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.

13. **Rights of the Trustee**

- (a) *Indemnification and protection of the Trustee*: The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Noteholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in

any given circumstance by considering the worst-case scenario and (ii) 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.

- (b) *Trustee Contracting with the Issuer:* The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.
- (c) *Reliance by Trustee on reports, confirmations, certificates and advice:* The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institutions or any other expert, 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 or certificate or advice in which event such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.
- (d) *Trustee's remuneration:* The provisions of Condition 3 (*Status and Subordination of the Notes*) apply only to the principal and interest and any other amounts payable in respect of the Notes and nothing in Condition 3 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

14. Further Issues

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them and/or the issue price thereof) so that the same shall be consolidated and form a single series with the Notes. Any further securities which are to form a single series with the Notes constituted by the Trust Deed or any supplemental deed shall be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

15. Notices

All notices regarding the Notes shall be valid if sent by post to the Noteholders at their respective addresses in the Register and, if and for so long as the Notes are listed on the Main Market of the London Stock Exchange plc or on any other stock exchange, notices will also be given in accordance with any applicable requirements of such stock exchange. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

16. Governing Law and Jurisdiction

- (a) *Governing law:* The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *Jurisdiction:* The parties to the Trust Deed have (i) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes); and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

17. Agreement and Acknowledgement with Respect to the Exercise of Bail-in Power

(a) *Recognition of Bail-in*

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, by its acquisition of the Notes, each Noteholder (and the Trustee on behalf of the Noteholders), acknowledges and accepts that the Amounts Due arising under these Notes may be subject to the exercise of Bail-in Powers by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (i) the effect of the exercise of 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;
 - (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;
- (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of Bail-in Power by the Resolution Authority.

(b) *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(c) *Event of default*

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority with

respect to the Issuer, nor the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes will be an event of default or default for any purpose.

(d) *Notice to Noteholders*

Upon the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer shall notify the Trustee and the Principal Paying Agent in writing of such exercise and give notice of the same to Noteholders in accordance with Condition 15 (*Notices*). Any delay or failure by the Issuer in delivering any notice referred to in this Condition 17(d) shall not affect the validity and enforceability of the Bail-in Power.

For the purposes of this Condition 17:

"Amounts Due" means the principal amount of, together with any accrued but unpaid interest, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Bail-in Power by the Resolution Authority;

"Bail-In Legislation" means Part I of the Banking Act 2009, as amended and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

"Bail-in Power" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability; and

"Resolution Authority" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom with the ability to exercise the Bail-in Power.

PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

TRANSFER AGENTS

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

and/or such other or further Principal Paying Agent and other Paying Agents, Registrar and Transfer Agents and/or specified offices as may from time to time be appointed by the Issuer with the approval of the Trustee and notice of which has been given to the Noteholders.

SCHEDULE 3

REGISTER AND TRANSFER OF NOTES

1. The Issuer shall at all times ensure that the Registrar maintains in London, or at such other place in the United Kingdom as the Trustee may agree, a register showing the amount of the Notes from time to time outstanding and the dates of issue and all subsequent transfers and changes of ownership thereof and the names and addresses of the holders of the Notes. The Trustee and the holders of the Notes or any of them and any person authorised by it or any of them may at all reasonable times during office hours inspect the register and take copies of or extracts from it. The register may be closed by the Issuer for such periods at such times (not exceeding in total 30 days in any one year) as it may think fit.
2. Each Note shall have an identifying serial number which shall be entered on the register.
3. The Notes are transferable by execution of the form of transfer endorsed thereon under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing.
4. The Notes to be transferred must be delivered for registration to the specified office of the Registrar or any Transfer Agent with the form of transfer endorsed thereon duly completed and executed and must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and such other evidence as the Issuer may reasonably require to prove the title of the transferor or his right to transfer the Notes and, if the form of transfer is executed by some other person on his behalf or in the case of the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so.
5. Noteholders may not require transfers to be registered (i) during the period of 15 days prior to any date on which the Notes may be called for redemption by the Issuer at its option pursuant to Conditions 5(b) (*Redemption at the option of the Issuer*), 5(c) (*Redemption for tax reasons*) and 5(d) (*Regulatory Event Redemption*), (ii) after the Notes have been called for redemption or (iii) during the period of 7 days ending on (and including) any Record Date (as defined in Condition 6(f)).
6. The executors or administrators of a deceased holder of Notes (not being one of several joint holders) and in the case of the death of one or more of several joint holders the survivor or survivors of such joint holders shall be the only person or persons recognised by the Issuer as having any title to such Notes.
7. Any person becoming entitled to Notes in consequence of the death or bankruptcy of the holder of such Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Issuer shall require be registered himself as the holder of such Notes or, subject to the preceding paragraphs as to transfer, may transfer such Notes. The Issuer shall be at liberty to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.
8. Unless otherwise requested by him and agreed by the Issuer and the Registrar, the holder of Notes shall be entitled to receive only one Certificate in respect of his entire holding.
9. The joint holders of Notes shall be entitled to one Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder

whose name appears first in the register of the holders of Notes in respect of such joint holding.

10. A Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations.
11. The Issuer shall, save in the case of the issue of replacement Notes pursuant to Condition 10, make no charge to the Noteholders for the registration of any holding of Notes or any transfer thereof or for the issue thereof or for the delivery thereof at the specified office of the Registrar or of any Transfer Agent or by post to the address specified by the Noteholder. If any Noteholder entitled to receive a Certificate wishes to have the same delivered to him otherwise than at the specified office of the Registrar or of any Transfer Agent, such delivery shall be made, upon his written request to the Registrar or such Transfer Agent, at his risk and (except where sent by post to the address specified by the Noteholder) at his expense.
12. The holder of a Note may (to the fullest extent permitted by applicable laws) be treated at all times, by all persons and for all purposes as the absolute owner of such Note notwithstanding any notice any person may have of the right, title, interest or claim of any other person thereto. The Issuer and the Trustee shall not be bound to see to the execution of any trust to which any Note may be subject and no notice of any trust shall be entered on the register. The holder of a Note will be recognised by the Issuer as entitled to his Note free from any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Note.

SCHEDULE 4

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

DEFINITIONS

1. As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:

Block Voting Instruction means an English language document issued by a Paying Agent in which:

- (a) it is certified that on the date thereof Notes represented by the Global Note Certificate or Individual Note Certificates which are held in an account with any Clearing System (in each case not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (1) the conclusion of the meeting specified in such Block Voting Instruction; and
 - (2) the Notes ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 3(E) of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 Hours prior to the time for which 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 Notes so deposited or held or blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given 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 Block Voting Instruction (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction;

Clearing System means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Note any clearing system on behalf of which such Note is held or which is the holder or (directly or through a nominee) registered owner of a Note, in either case whether alone or jointly with any other Clearing System(s). For the avoidance of doubt, the provisions of subclause 1.2(g) shall apply to this definition;

Eligible Person means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a holder of a Note in definitive form which is not held in an account with any Clearing System;
- (b) a bearer of any Voting Certificate;
- (c) a proxy specified in any Block Voting Instruction; and
- (d) a proxy appointed by a holder of a Note in definitive form which is not held in an account with any Clearing System;

Extraordinary Resolution means:

- (a) a resolution passed at a meeting duly convened and held in accordance with these presents by a majority consisting of not less than three-fourths of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes, which 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 holders; or
- (c) a resolution passed by way of an Electronic Consent (as defined in para 23(a)).

Voting Certificate means an English language certificate issued by a Paying Agent in which it is stated:

- (a) that on the date thereof Notes represented by the Global Note Certificate or Individual Note Certificates which are held in an account with any Clearing System (in each case not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
 - (1) the conclusion of the meeting specified in such Voting Certificate; and
 - (2) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate;

24 Hours means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and

48 Hours means 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.

For the purposes of calculating a period of **Clear Days** in relation to a meeting, no account shall be taken of the day on which the notice of such meeting is given (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or the day on which such meeting is held.

All references in this Schedule to a "meeting" shall, where the context so permits, include any relevant adjourned meeting.

EVIDENCE OF ENTITLEMENT TO ATTEND AND VOTE

2. A holder of a Note represented by the Global Note Certificate or an Individual Note Certificate which is held in an account with any Clearing System may require the issue by a Paying Agent of Voting Certificates and Block Voting Instructions in accordance with the terms of paragraph 3.

For the purposes of paragraph 3, the Principal Paying Agent and each Paying Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a Clearing System and shall have no liability to any holder or other person for any loss, damage, cost, claim or other liability occasioned by its acting in reliance thereon, nor for any failure by a Clearing System to deliver information or instructions to the Principal Paying Agent or any Paying Agent.

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 be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates.

PROCEDURE FOR ISSUE OF VOTING CERTIFICATES, BLOCK VOTING INSTRUCTIONS AND PROXIES

3. (A) *Global Note Certificate and Individual Note Certificates held in a Clearing System - Voting Certificate*

A holder of a Note (not being a Note in respect of which instructions have been given to the Principal Paying Agent in accordance with paragraph 3(B)) represented by the Global Note Certificate or which is in definitive form and is held in an account with any Clearing System may procure the delivery of a Voting Certificate in respect of such Note by giving notice to the Clearing System through which such holder's interest in the Note is held specifying by name a person (an **Identified Person**) (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting. The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Principal Paying Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Clearing System. The Clearing System may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes. Subject to receipt by the Principal Paying Agent from the Clearing System, no later than 24 Hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes to be represented by any such Voting Certificate and the form of identification against presentation of which such Voting Certificate should be released, the Principal Paying Agent shall, without any obligation to make further enquiry, make available

Voting Certificates against presentation of the form of identification corresponding to that notified.

(B) *Global Note Certificate and Individual Note Certificates held in a Clearing System - Block Voting Instruction*

A holder of a Note (not being a Note in respect of which a Voting Certificate has been issued) represented by the Global Note Certificate or which is in definitive form and is held in an account with any Clearing System may require the Principal Paying Agent to issue a Block Voting Instruction in respect of such Note by first instructing the Clearing System through which such holder's interest in the Note is held to procure that the votes attributable to such Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Principal Paying Agent of instructions from the Clearing System, no later than 24 Hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes in respect of which instructions have been given and the manner in which the votes attributable to such Notes should be cast, the Principal Paying Agent shall, without any obligation to make further enquiry, appoint a proxy to attend the meeting and cast votes in accordance with such instructions.

(C) *Individual Note Certificates not held in a Clearing System - appointment of proxy*

(i) A holder of Notes in definitive form and not held in an account with any Clearing System 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 or any Transfer Agent 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.

(ii) Any proxy appointed pursuant to subparagraph (i) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Notes to which such appointment relates and the holders of the Notes shall be deemed for such purposes not to be the holder.

(D) 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 at which the proxy or proxies named in the Block Voting Instruction or form of proxy proposes to vote, and in default the Block Voting Instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each Block Voting Instruction and form of proxy shall be deposited with the Trustee before the commencement of the meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such Block Voting Instruction or form of proxy.

- (E) 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 instructions of the relevant holder or the relevant Clearing System (as the case may be) pursuant to which it was executed provided that no intimation in writing of such revocation or amendment has been received from the relevant Paying Agent (in the case of a Block Voting Instruction) or from the holder thereof (in the case of a proxy appointed pursuant to paragraph 3(C)) 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 (in the case of a Block Voting Instruction) or 48 Hours (in the case of a proxy) before the time appointed for holding the meeting at which the Block Voting Instruction or form of proxy is to be used.

CONVENING OF MEETINGS, QUORUM AND ADJOURNED MEETINGS

4. 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 ten per cent. in aggregate principal amount of the Notes for the time being outstanding, convene a meeting and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the requisitionists. Whenever the Issuer is about to convene any such meeting the Issuer shall forthwith give notice in writing to the Trustee of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place (which need not be a physical place and instead may be held by way of audio or video conference) as the Trustee may appoint or approve in writing.
5. At least 21 Clear Days' notice specifying the place, day and hour of meeting shall be given to the holders prior to any meeting in the manner provided by Condition 15 (*Notices*). 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 and, in the case of an Extraordinary Resolution, shall either specify in such notice the terms of such resolution or state fully the effect on the holders of such resolution, if passed. Such notice shall include statements as to the manner in which holders may arrange for Voting Certificates or Block Voting Instructions to be issued and, if applicable, appoint proxies. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee) and to the Issuer (unless the meeting is convened by the Issuer).
6. A person (who may but need not be a holder) nominated in writing by the Trustee shall be entitled to take the chair at the relevant meeting, but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the holders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
7. At any such meeting one or more Eligible Persons present and holding or representing in the aggregate not less than one-tenth of the principal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons present and holding or representing in the aggregate more than 50 per cent. of the aggregate principal 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 subclause 18.2 and subclause 20, only be capable of being effected after having been approved by Extraordinary Resolution) namely:

- (i) reduction or cancellation of the amount payable or, where applicable, modification, 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;
- (ii) alteration of the quorum required at any meeting;
- (iii) alteration of the currency in which payments under the Notes are to be made;
- (iv) subject to Clause 3.5 of this Trust Deed, to modify the provisions of Condition 3 (*Status and Subordination of the Notes*);
- (v) alteration of the majority required to pass an Extraordinary Resolution;
- (vi) the sanctioning of any such scheme or proposal or substitution as is described in paragraphs 19(i) and (j); and
- (vii) alteration of this proviso or the proviso to paragraph 9;

the quorum shall be one or more Eligible Persons present and holding or representing in the aggregate not less than two-thirds of the principal amount of the Notes for the time being outstanding.

8. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of holders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 Clear Days nor more than 42 Clear Days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings.
9. At any adjourned meeting one or more Eligible Persons present (whatever the principal 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 7 shall be one or more Eligible Persons present and holding or representing in

the aggregate not less than one-third of the principal amount of the Notes for the time being outstanding.

10. 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 5 and such notice shall state the required quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

CONDUCT OF BUSINESS AT MEETINGS

11. Every question submitted to a meeting shall be decided in the first instance by a show of hands (to be confirmed orally if the meeting is by way of telephone). A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairman, the Issuer, the Trustee or any Eligible Person representing or holding not less than one fiftieth of the aggregate principal amount on the outstanding Notes (whatever the amount of the Notes so held or represented by him).
12. At any meeting, unless a poll is duly demanded, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
13. Subject to paragraph 15, if at any such meeting a poll is so demanded it shall be taken in such manner and, subject as hereinafter provided, either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
14. The Chairman may, with the consent of (and shall if directed by) any such meeting, adjourn the same from time to time and from place to place; but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
15. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
16. Any director or officer of the Trustee, its lawyers and financial advisors, any director or officer of the Issuer, its lawyers and financial advisors, any director or officer of any of the Paying Agents, any other person authorised so to do by the Trustee and the Registrar may attend and speak at any meeting. Save as aforesaid, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes which are deemed to be not outstanding by virtue of the proviso to the definition of "outstanding" in clause 1.
17. At any meeting:
 - (a) on a show of hands every Eligible Person present shall have one vote; and
 - (b) on a poll every Eligible Person present shall have one vote in respect of each £1 or such other amount as the Trustee may in its absolute discretion stipulate such amount in such other currency as the Trustee in its absolute discretion may stipulate, in principal amount of the Notes held or represented by such Eligible Person.

In the case of a voting tie the Chairman shall have a casting vote.

Without prejudice to the obligations of the proxies named in any Block Voting Instruction or form of proxy, any Eligible 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.

18. The proxies named in any Block Voting Instruction or form of proxy need not be holders. 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.
19. A meeting 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 7 and 9 and Condition 12(d) (*Competent Authority notice or consent*)) namely:
 - (a) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Trustee, any Appointee and the holders or any of them.
 - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the holders or the Issuer against any other or others of them or against any of their property whether such rights arise under these presents or otherwise.
 - (c) Power to assent to any modification of the provisions of these presents which is proposed by the Issuer, the Trustee or any holder.
 - (d) Power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution.
 - (e) Power to appoint any persons (whether holders or not) as a committee or committees to represent the interests of the holders and to confer upon such committee or committees any powers or discretions which the holders could themselves exercise by Extraordinary Resolution.
 - (f) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of these presents.
 - (g) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under these presents.
 - (h) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (i) Power to sanction any scheme or proposal for the exchange or sale of the Notes for or the exchange or substitution or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf

of the holders to execute an instrument of transfer of the Notes held by them in favour of the persons with or to whom the Notes are to be exchanged or sold respectively.

- (j) Power to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under these presents.
20. Any resolution passed at a meeting of the holders duly convened and held in accordance with these presents shall be binding upon all the holders whether or not present or whether or not represented at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the holders shall be published in accordance with Condition 15 (*Notices*) by the Issuer within 14 days of such result being known, PROVIDED THAT the non-publication of such notice shall not invalidate such result.
21. Minutes of all resolutions and proceedings at every meeting shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (A) If and whenever the Issuer has issued and has outstanding Notes of more than one series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
- (i) a resolution which in the opinion of the Trustee affects the Notes of only one series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that series;
 - (ii) a resolution which in the opinion of the Trustee affects the Notes of more than one series but does not give rise to a conflict of interest between the holders of Notes of any of the series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the series so affected;
 - (iii) a resolution which in the opinion of the Trustee affects the Notes of more than one series and gives or may give rise to a conflict of interest between the holders of the Notes of one series or group of series so affected and the holders of the Notes of another series or group of series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Notes of each series or group of series so affected; and
 - (iv) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Notes and holders were references to the Notes of the series or group of series in question or to the holders of such Notes, as the case may be.
- (B) If the Issuer has issued and has outstanding Notes which are not denominated in pounds sterling, or in the case of any meeting of Notes of more than one currency, the principal amount of such Notes shall

- (i) for the purposes of paragraph 4, 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 7, 9 and 17 (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 principal amount of the Notes (converted as above) which he holds or represents.

23. For so long as the Notes are represented by a Global Note Certificate and the Global Note Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System then, in respect of any resolution proposed by the Issuer or the Trustee:

- (a) 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 Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System as provided in the Trust Deed, 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 Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be) 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 aggregate principal amount of the Notes outstanding by close of business of the relevant time and date for the blocking of their accounts in Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (an **Electronic Consent**). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether an Extraordinary Resolution in writing 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), (i) by accountholders in Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be) with entitlements to such Global Note Certificate and/or, (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that Accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as the case may be), in the case of (ii) above, Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing

System (as the case may be) and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any Extraordinary Resolution in writing passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholders 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.

24. Subject to all other provisions of these presents the Trustee may (after consultation with the Issuer where the Trustee considers such consultation to be practicable but without the consent of the Issuer, or the holders) prescribe such further or alternative regulations regarding the requisitioning and/or the holding of meetings and attendance and voting thereat as the Trustee may in its sole discretion reasonably think fit (including, without limitation, the substitution for periods of 24 Hours and 48 Hours referred to in this Schedule of shorter periods) and the holding of meetings by way of audio or video conference. Such regulations may, without prejudice to the generality of the foregoing, reflect the practices and facilities of any relevant Clearing System. Notice of any such further or alternative regulations may, at the sole discretion of the Trustee, be given to holders in accordance with Condition 15 (*Notices*) at the time of service of any notice convening a meeting or at such other time as the Trustee may decide.

SCHEDULE 5

FORM OF DIRECTORS' CERTIFICATE

[ON THE HEADED PAPER OF PARAGON BANKING GROUP PLC]

To: Citicorp Trustee Company Limited

[Date]

£150,000,000 4.375 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2031

This certificate is delivered to you in accordance with Clause 13(e) of the Trust Deed dated 25 March 2021 (the **Trust Deed**) and made between Paragon Banking Group PLC (the **Issuer**) and Citicorp Trustee Company Limited (the **Trustee**). All words and expressions defined in the Trust Deed shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings herein.

We hereby certify that, to the best of our knowledge, information and belief (having made all reasonable enquiries):

- (a) as at []¹, no Event of Default existed [other than []]² and no Event of Default had existed at any time since []³ [the certification date (as defined in the Trust Deed) of the last certificate delivered under Clause 13(e)]⁴ [other than []]⁵; and
- (b) from and including []³ [the certification date of the last certificate delivered under Clause 13(e)]⁴ to and including []¹, [each of] the Issuer has complied in all respects with its obligations under these presents (as defined in the Trust Deed) [other than []]⁶.

For and on behalf of

Paragon Banking Group PLC

.....
Director

.....
Director

¹ Specify a date not more than 7 days before the date of delivery of the certificate.
² If any Event of Default did exist, give details; otherwise delete.
³ Insert date of Trust Deed in respect of the first certificate delivered under **Clause 13(e)**, otherwise delete.
⁴ Include unless the certificate is the first certificate delivered under **Clause 13(e)**, in which case delete.
⁵ If any Event of Default did exist, give details; otherwise delete.
⁶ If the Issuer has failed to comply with any obligation(s), give details; otherwise delete.

SIGNATORIES

EXECUTED as a DEED by
PARAGON BANKING GROUP PLC
acting by two duly authorised signatories:

By: 
Name: PR Shorthouse

Title: Director Treasury and Structured Finance

By: 
Name: James Giles

Title: Authorised Signatory

EXECUTED as a deed)
by CITICORP TRUSTEE COMPANY)
LIMITED)
acting by:)



Georgia Mitchell
Vice President

Witnessed by:



Antra Grundsteina
Vice President

Citibank, N.A.
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB