EXECUTION VERSION

Dated 25 May 2023

RL FINANCE BONDS NO. 6 PLC
as Issuer

and

THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED
as Guarantor

and

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED
as Trustee

TRUST DEED

relating to

the issuance of £350,000,000 10.125 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes

Linklaters

Ref: L-322805

Linklaters LLP

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This Trust Deed is dated 25 May 2023 and made **between**:

(1) **RL FINANCE BONDS NO. 6 PLC**, (the "**Issuer**"), registered in England and Wales as company number 14501996 and having its registered office at 55 Gracechurch Street, London EC3V 0RL, United Kingdom;

(2) **THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED**, (the "**Guarantor**"), incorporated with liability limited by guarantee in England and Wales as company number 99064 and having its registered office at 55 Gracechurch Street, London EC3V 0RL, United Kingdom; and

(3) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, (the "**Trustee**", which, where the context so admits, includes any other trustee for the time being and from time to time the trustee or trustees under this Trust Deed).

Background:

(A) The Issuer has authorised the issue of £350,000,000 10.125 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes to be constituted by this Trust Deed and the Guarantor has authorised the giving of a subordinated guarantee in respect of the Notes.

(B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

This Deed witnesses and it is declared as follows:

1 Interpretation

1.1 **Definitions**: Unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed and the following expressions have the following meanings:

"**Agency Agreement**" means the agreement referred to as such in the Conditions and includes any other agreements approved in writing by the Trustee appointing Successor Agents or altering any such agreements;

"**Appointee**" means any custodian, receiver, attorney, manager, agent, delegate or nominee of the Trustee or any other person appointed by the Trustee pursuant to this Trust Deed;

"**Auditors**" means the auditors for the time being of the Issuer and the Guarantor or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of accountants as may be nominated in writing by the Issuer and the Guarantor and approved in writing by the Trustee for the purpose (at the expense of the Issuer (failing whom the Guarantor));

"**Certificate**" means a definitive certificate representing one or more Notes comprising the entire holding by a Noteholder of its Notes and, save in the case of the Global Certificate, being substantially in the form set out in Part 2 of Schedule 1;

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

"**Companies Act**" means the Companies Act 2006;

"**Conditions**" means the terms and conditions of the Notes which shall be substantially in the form set out in Schedule 2, as modified, with respect to any Notes represented by the

Global Certificate, by the provisions of the Global Certificate. Any reference to a particularly numbered Condition shall be construed accordingly;

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

"**Event of Default**" means an event described in Condition 12(a)(ii) or 12(a)(iii) or 12(a)(iv);

"**Extraordinary Resolution**" has the meaning set out in Schedule 3;

"**FCA**" means the UK Financial Conduct Authority or any successor thereto;

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

"**Global Certificate**" means the global certificate substantially in the form set out in Part 1 of Schedule 1 representing the Notes and registered in the name of a nominee for the common depositary of Euroclear and Clearstream, Luxembourg;

"**Guarantee**" means the subordinated guarantee and indemnity of the Guarantor in Clause 5;

"**Market**" means the International Securities Market of the London Stock Exchange plc;

"**Noteholder**" means a person against whose name a Note is registered in the register of Noteholders (or, in the case of joint holders, the first named thereof), save that, for so long as the Notes are represented by the Global Certificate, each person who has for the time being a particular principal amount of the Notes credited to their securities account in the records of Clearstream, Luxembourg or Euroclear shall be deemed to be the Noteholder in respect of the principal amount of such Notes for all purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested in the registered holder of the Global Certificate in accordance with and subject to the terms of this Trust Deed and such Global Certificate;

"**Notes**" means the £350,000,000 10.125 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes of the Issuer guaranteed by the Guarantor on a subordinated basis which expression shall, if the context so permits, include the Global Certificate representing the Notes;

"**outstanding**" means, in relation to the Notes, all the Notes issued except (A) those which have been redeemed in accordance with the Conditions, (B) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Paying Agent as provided in Clause 2 and remain available for payment in accordance with the Conditions, (C) those which have become void or have been converted pursuant to an Automatic Conversion and (D) those which have been purchased and cancelled, or substituted for Qualifying Securities or Rating Agency Compliant Securities, as provided in the Conditions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Noteholders, (2) the determination of how many Notes are outstanding for the purposes of Conditions 12 and 16 and Schedule 3, and (3) the exercise of any discretion, power or authority whether contained in this Trust Deed or provided by law, which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders, those Notes which are beneficially held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

"**Principal Paying Agent**" means the institution named as such in the Conditions acting through its specified office, or any Successor Principal Paying Agent;

"**Registrar**" means the institution named as such in the Conditions acting through its specified office, or any Successor Registrar;

"**specified office**" means, in relation to an Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Noteholders pursuant to Clause 9.21;

"**Subsidiary**" has the meaning given under Section 1159 of the Companies Act;

"**Successor**" means, in relation to the Agents, such other or further person as may from time to time be appointed by the Issuer and/or the Guarantor as an Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Noteholders pursuant to Clause 9.21;

"**successor in business**" means, in relation to the Issuer, the Guarantor or any Substituted Obligor, any company which as a result of any amalgamation, merger or reconstruction, beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer, the Guarantor or the relevant Substituted Obligor (as the case may be) prior to such amalgamation, merger, reconstruction or agreement coming into force and carries on as successor to the Issuer, the Guarantor or the relevant Substituted Obligor (as the case may be) the whole or substantially the whole of the business carried on by the Issuer, the Guarantor or the relevant Substituted Obligor (as the case may be) immediately prior thereto; and

"**trust corporation**" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees.

1.2 **Interpretation**: In this Trust Deed, unless the contrary intention appears, a reference to:

1.2.1 costs, charges, remuneration, expenses or amounts payable under this Trust Deed shall include any value added tax, turnover tax or similar tax charged in respect thereof;

1.2.2 any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto;

1.2.3 "**this Trust Deed**" or any other agreement or document referred to in this Trust Deed mean this trust deed or such other agreement or document as amended, varied, supplemented, modified or novated from time to time;

1.2.4 a "**Clause**" or "**Schedule**" is a reference to a clause of, or a schedule to, this Trust Deed;

1.2.5 a person includes any individual, company, body corporate, corporation sole or aggregate, government, state or agency of a state, firm, partnership, joint venture, association, organisation or trust (in each case, whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists) and a reference to any of them shall include a reference to the others;

1.2.6 a person includes its successors and assigns;

1.2.7 any provision of any treaty, legislation, statute, directive, regulation, judgement, decision, decree, order, regulation, instrument, by-law, or any other law of, or having effect in, any jurisdiction ("**Laws**") shall be construed also as references to all other Laws made under the Law referred to, and to all such Laws as amended, re-enacted, consolidated or replaced, or as their application is modified by other Laws from time to time, and whether before or after the date of this Trust Deed;

1.2.8 Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system as is approved by the Trustee; and

1.2.9 a time of day is a reference to London time.

1.3 **Subordination**: Clauses 5, 6 and 7 and Conditions 3 and 4 apply only to the principal, interest and other amounts under or arising from the Notes and the Guarantee.

1.4 **Headings**: The headings in this Trust Deed are for ease of reference only and do not affect its interpretation.

1.5 **Schedules**: Each of the Schedules shall have effect as if set out in this Trust Deed.

1.6 **Plural or persons**: Words denoting the singular number only shall include the plural number also and vice versa and words denoting persons shall include firms and corporations and vice versa.

2 Amount of the Notes, Covenant to Pay and Subordination

2.1 **Amount of the Notes**: The aggregate principal amount of the Notes is limited to £350,000,000.

2.2 **Covenant to Pay**: Subject to Clauses 2.3, 5 and 7 and to Conditions 3(b), 3(c), 6(a), 6(b), 7, 9(b) and 9(d), the Issuer will on any date when any Notes become due to be redeemed unconditionally pay or procure to be paid to or to the order of the Trustee in London in sterling in same day funds the principal amount of the Notes becoming due for redemption on that date and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay or procure to be paid to or to the order of the Trustee interest on the principal amount of the Notes outstanding from time to time as set out in the Conditions, provided that (1) subject to the provisions of Clause 2.5, payment of any sum due in respect of the Notes made to the Principal Paying Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Noteholders under the Conditions and (2) a payment made after the due date or pursuant to Condition 12 will be deemed to have been made when the full amount due has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders (if required under Clause 9.11), except to the extent that there is failure in its subsequent payment to the relevant Noteholders under the Conditions. The Trustee will hold the benefit of this covenant on trust for itself and the Noteholders.

2.3 **Subordination:**

2.3.1 **Senior Creditors**: Notwithstanding the covenant of the Issuer given in Clause 2.2, in the event of a Guarantor Winding-Up the claims of the Trustee (save as hereinafter provided) and the Noteholders against the Guarantor in relation to Guaranteed Amounts (including, without limitation, any damages awarded for breach of any obligations under the Notes and this Trust Deed) will be subordinated to the claims of all Senior Creditors (in the manner set out in Clause 5.11 and Condition 4(b) of the Notes) and no payment shall be made by the Guarantor in respect thereof under this Trust Deed or the Notes unless all the claims of the Senior Creditors have been satisfied in full prior to such payment. This subordination of the claims of the Trustee and the Noteholders against the Guarantor shall not affect any liability of the Issuer or the Guarantor to the Trustee in its personal capacity or affect or prejudice the payment of the fees, costs, charges, expenses or liabilities or remuneration of the Trustee or of amounts payable to, or in respect of, any Appointee or the rights and remedies of the Trustee in respect thereof and the Trustee shall to such extent rank as a Senior Creditor of the Guarantor.

2.3.2 **Issuer Senior Creditors:** Notwithstanding the covenant of the Issuer given in Clause 2.2, in the event of an Issuer Winding-Up the claims of the Trustee (save as hereinafter provided) and the Noteholders against the Issuer in relation to the Notes (including, without limitation, any damages awarded for breach of any obligations under the Notes and this Trust Deed) will be subordinated to the claims of all Issuer Senior Creditors (in the manner set out in Clause 5.3 and Condition 3(b)(i) of the Notes) and no payment shall be made by the Issuer in respect thereof under this Trust Deed or the Notes unless all the claims of the Issuer Senior Creditors have been satisfied in full prior to such payment. This subordination of the claims of the Trustee and the Noteholders against the Issuer shall not affect any liability of the Issuer or the Guarantor to the Trustee in its personal capacity or affect or prejudice the payment of the fees, costs, charges, expenses or liabilities or remuneration of the Trustee or of amounts payable to, or in respect of, any Appointee or the rights and remedies of the Trustee in respect thereof and the Trustee shall to such extent rank as an Issuer Senior Creditor.

2.4 **Discharge**: Subject to Clause 2.5, any payment to be made in respect of the Notes by the Issuer, the Guarantor or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.5) to that extent be a good discharge to the Issuer, the Guarantor or the Trustee (as the case may be).

2.5 **Payment after an Event of Default**: At any time after an Event of Default has occurred the Trustee may:

2.5.1 by notice in writing to the Issuer, the Guarantor and the Agents, require the Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law:

(i) to act as Agents of the Trustee under this Trust Deed and the Notes on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Notes on the terms of this Trust Deed) and thereafter to hold all Notes and all moneys, documents and records held by them in respect of Notes to the order of the Trustee; or

(ii) to deliver all Notes and all moneys, documents and records held by them in respect of the Notes to the Trustee or as the Trustee directs in such notice; and

2.5.2 by notice in writing to the Issuer and the Guarantor, require each of them 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 the Guarantor; and from then until such notice is withdrawn, proviso (1) to Clause 2.2 above, shall cease to have effect.

2.6 **Covenant of Compliance**: Each of the Issuer and the Guarantor covenants to comply with the provisions of this Trust Deed and the Conditions.

3 Form of the Notes

3.1 **The Global Certificate**: The Notes will initially be represented by the Global Certificate in registered form in the principal amount of £350,000,000 which shall be registered in the name of a nominee for a common depositary to both Euroclear and Clearstream, Luxembourg. The Global Certificate will be exchangeable for Certificates in the limited circumstances set out in the Global Certificate.

3.2 **Form of Certificates**: The Certificates, if issued, will be printed in accordance with the requirements of the applicable stock exchange where the Notes are listed and will be substantially in the form set out in Part 2 of Schedule 1 and endorsed with the Conditions.

3.3 **Signature**: The Global Certificate and the Certificates shall be signed manually, electronically or in facsimile by (A) a Director or duly authorised signatory of the Issuer and (B) a Director or duly authorised signatory of the Guarantor, in each case duly authorised for such purpose, and authenticated manually or electronically by or on behalf of the Registrar. The Issuer and the Guarantor may each use a facsimile signature of a person who at the date of this Trust Deed is such a duly authorised person even if at the issue of any Notes he no longer holds that office. Notes represented by the Global Certificate or Certificates so executed and authenticated will be binding and valid obligations of the Issuer and the Guarantor.

4 Stamp Duties

The Issuer (failing whom the Guarantor) will pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in the United Kingdom, Belgium and Luxembourg in respect of the creation, issue and offering of the Notes and the execution or delivery of this Trust Deed. The Issuer (failing whom the Guarantor) will also indemnify the Trustee and the Noteholders, on an after tax basis, from and against all stamp, issue, documentary or other taxes and duties paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or the Noteholders (as the case may be) to enforce the obligations of the Issuer and/or the Guarantor under this Trust Deed or the Notes.

5 Guarantee and Indemnity; Rights on an Issuer Winding-Up and/or Guarantor Winding-Up

5.1 **Guarantee**: Subject as provided in the Conditions, this Clause 5 and Clause 7, the Guarantor irrevocably guarantees that if the Issuer does not pay any sum payable by it under this Trust Deed and the Notes by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) ("**Guaranteed Amounts**"), the Guarantor will pay that sum to or to the order of the Trustee, in the manner provided in Clause 2.2 (or, if in respect of sums due under Clause 10, in London in sterling in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2.2(1) and 2.2(2) will apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 10. All payments under the Guarantee by the Guarantor will be made subject to Condition 8. For the purpose only of determining whether any Guaranteed Amount is from time to time due and payable by the Issuer for the purposes of the obligations of the Guarantor under the Guarantee, the relevant principal, interest or other sum shall be deemed to be due and payable by the Issuer on the date on which such amount is expressed to be due and payable in accordance with the Conditions or this Trust Deed regardless of whether the requirements of Condition 3(c)(i) or Clause 7.1.1(i) are satisfied on such date.

5.2 **Guarantor as Principal Debtor**: As between the Guarantor and the Trustee and the Noteholders but without affecting the Issuer's obligations, the Guarantor will be liable under this Clause 5 as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person; (2) any amendment to any other provisions of this Trust Deed or to the Conditions or to any security or other guarantee or indemnity; (3) the making or absence of any demand on the Issuer or any other person for payment; (4) the enforcement or absence of enforcement of this Trust Deed, the Notes or of any security or other guarantee or indemnity; (5) the taking, existence or release of any security, guarantee or indemnity; (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person (including any Substituted Obligor substituted for the Issuer pursuant to Conditions 4(d) and 15); or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Trust Deed, the Notes or any of the Issuer's obligations under any of them).

5.3 **Issuer Winding-Up and Guarantor Winding-Up occurring prior to a Trigger Event**:

5.3.1 If, at any time prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to the Noteholder in respect of such Note if, on the day preceding the commencement of such Issuer Winding-Up and thereafter, such Noteholder were the holder of one of a class of preference shares in the capital of the Issuer ("**Notional Preference Shares**") having an equal right to a return of assets in such Issuer Winding-Up to, and so ranking *pari passu* with, the holders of the most senior class or classes of issued preference shares (if any) in the capital of the Issuer from time to time and which have a preferential right to a return of assets in such Issuer Winding-Up over, and so rank ahead of, the holders of all other classes of issued shares for the time being in the capital of the Issuer but ranking junior to the claims of all Issuer Senior Creditors, on the assumption that the amount that such Noteholder was entitled to receive in respect of each Notional Preference Share on a return of assets in such Issuer Winding-Up were an amount equal to the principal amount of the relevant Note and any accrued but unpaid interest thereon (other than any interest which has been cancelled in accordance with the Conditions) to the date of payment of such amounts and any damages awarded for breach of any obligations under such Notes and this Trust Deed, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable.

5.3.2 If any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under this Trust Deed) and/or the Noteholders in respect of or arising under the Notes and/or the Trust Deed by the liquidator or the administrator (as applicable) of the Issuer, such amount shall, in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii), reduce *pro tanto* the amounts payable by the Guarantor under the Guarantee and/or, as appropriate, any Substituted Obligor substituted for the Issuer pursuant to Conditions 4(d) and 15 (save to the extent amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Issuer to its liquidator or, as appropriate, administrator in accordance with Condition 3(d)).

5.4 Issuer Winding-Up and no Guarantor Winding-Up occurring prior to a Trigger Event:

5.4.1 If, at any time prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is occurring:

(i) the Guarantor undertakes to pay the Guaranteed Amounts on the basis that such amounts are and will be due for payment under the Notes and this Trust Deed as if the Issuer Winding-Up had not occurred;

(ii) the Trustee (other than in respect of its rights and claims in its personal capacity under this Trust Deed and those of any Appointee) and the Noteholders (in each case in relation to any amount which they are entitled to receive in such Issuer Winding-Up in respect of, or arising under, the Notes and this Trust Deed (including any damages awarded for breach of any obligations thereunder)) shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such amounts and the right thereto to the Guarantor as consideration for the Guarantor's agreement to assume, or procure the assumption by a Subsidiary of the Guarantor of, the obligations of the Issuer (including the obligation to pay such aforementioned damages, if any) pursuant to, and in accordance with, Condition 4(d) and shall be deemed irrevocably to have authorised and directed the Issuer (or its liquidator or administrator, as appropriate) to make the payment of any such amounts directly to the Guarantor. In such event, the rights of Noteholders upon any subsequent Automatic Conversion of the Notes shall be as set out in Condition 7(d); and

(iii) (in consideration for the deemed assignment pursuant to Clause 5.4.1(ii)) the Guarantor shall assume, or shall procure the assumption by a Subsidiary of the Guarantor of, all of the obligations of the Issuer under the Notes and the Trust Deed (including any damages awarded against the Issuer for breach of any of its obligations thereunder) as if references in the Notes and this Trust Deed to "the Issuer" were to the Guarantor or its relevant Subsidiary (as the case may be) but provided that the claims of the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed and those of any Appointee) and the Noteholders against the

Guarantor in respect of all payment obligations under the Notes and the Trust Deed shall rank *pari passu* with the Guarantee.

5.4.2 The provisions of Clause 16.2 shall apply *mutatis mutandis* to any assumption of the Issuer's obligations under the Notes by the Guarantor or its Subsidiary pursuant to Clauses 5.4.1(ii) and 5.4.1(iii), save that the words ""shall, at the request of the Issuer and the Guarantor, agree", shall be replaced with "shall agree".

5.4.3 Once the Guarantor has assumed, or has procured the assumption by its Subsidiary of the Issuer's obligations under the Notes and the Trust Deed, the Guarantor or such Subsidiary (as the case may be) shall have the rights or benefits of all the provisions applicable to the Issuer in the Conditions and this Trust Deed including, without limitation the Issuer's ability to redeem, vary, substitute or purchase the Notes in the circumstances set out in Conditions 9(f), 9(g), 9(h), 9(i), 9(j) and 9(k) and accordingly, all references in the Conditions and this Trust Deed to the Issuer shall, to the extent necessary to confer such rights or benefits, be construed as references to the Guarantor or such Subsidiary (as the case may be).

5.4.4 If any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under this Trust Deed) and/or the Noteholders in respect of or arising under the Notes and/or the Trust Deed by the liquidator or the administrator (as applicable) of the Issuer, such amount shall, in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii), reduce *pro tanto* the amounts payable by the Guarantor under the Guarantee and/or, as appropriate, any Substituted Obligor substituted for the Issuer pursuant to Conditions 4(d) and 15 (save to the extent amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Issuer to its liquidator or, as appropriate, administrator in accordance with Condition 3(d)).

5.5 **Issuer Winding-Up occurring on or after a Trigger Event**: If (whether or not a Guarantor Winding-Up also occurs at or after such time) an Issuer Winding-Up occurs concurrently with or after the occurrence of a Trigger Event (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(a), in which case the provisions of Condition 3(b)(i) and Clause 5.3 above or Condition 3(b)(ii) and Clause 5.4 above, as applicable, shall continue to apply as if such Trigger Event had not occurred), and where the Conversion Shares have not yet been delivered to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7), there shall be payable by the Issuer in respect of each Note (in lieu of any other payment or any issue or delivery of Conversion Shares by the Issuer), such amount, if any, as would have been payable to the Noteholder if, on the day prior to the commencement of the Issuer Winding-Up and thereafter, such Noteholder were the holder of such number of Conversion Shares as that Noteholder would have been entitled to receive pursuant to an Automatic Conversion in accordance with Condition 7(a), whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that shareholders of the Issuer were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation). In such circumstances, Noteholders shall be entitled to claim solely against the Issuer, and shall have no claim against the Guarantor in respect of Guaranteed Amounts or any other amounts whatsoever under or in connection with the Notes or this Trust Deed.

5.6 **Cancellation or Suspension of Payments under the Guarantee**: The obligations of the Guarantor under this Guarantee to make any payment of Guaranteed Amounts in respect of interest on the Notes may be optionally cancelled by the Guarantor in accordance with Condition 6(a) and (save as otherwise permitted pursuant to Condition 6(c)) will be mandatorily cancelled in accordance with Condition 6(b). The obligations of the Guarantor under this Guarantee to make any payment of Guaranteed Amounts in relation to the redemption of the Notes will (save as otherwise permitted pursuant to Condition 9(c)) be subject to mandatory suspension in accordance with Condition 9(b) and, in that case, shall only become payable by the Guarantor in accordance with Condition 9(d).

For the avoidance of doubt, if the Issuer elects, or is required, to cancel any Interest Payment (or any part thereof) in accordance with the Conditions, no Guaranteed Amount will arise or be payable by the Guarantor in respect of such Interest Payment (or, as the case may be, the part thereof so cancelled).

5.7 Guarantor's Obligations Continuing and Avoidance of Payments:

5.7.1 If any payment received by the Trustee or any Noteholder under the provisions of this Trust Deed shall (whether on the subsequent winding-up, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this Guarantee shall continue to apply as if such payment had at all times remained owing by the Issuer and the Guarantor shall (subject as provided in the Conditions and in this Clause 5 and Clause 7) indemnify the Trustee and the Noteholders (as the case may be) in respect thereof provided that the obligations of the Issuer and/or the Guarantor under this Clause 5.7.1 shall, as regards each payment made to the Trustee or any Noteholder which is avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.

5.7.2 The Guarantor waives diligence, presentment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to this Trust Deed or the indebtedness evidenced thereby and all demands whatsoever and covenants that this Guarantee shall (1) be a continuing guarantee; (2) extend to the ultimate balance of all sums payable and obligations owed by the Issuer under this Trust Deed and the Notes; (3) not be discharged except by complete performance of the obligations in respect of payments in this Trust Deed and the Notes; and (4) be additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands of any kind.

5.8 Enforcement of Guarantee: Subject to the provisions of Clause 13 and Condition 12, the Trustee may determine from time to time whether or not it will enforce this Guarantee which it may do without making any demand of or taking any proceedings against the Issuer and may (from time to time) make any arrangement or compromise with the Guarantor in relation to this Guarantee which the Trustee may consider expedient in its discretion to be appropriate.

5.9 Exercise of Guarantor's Rights: So long as any sum remains payable under this Trust Deed or the Notes:

5.9.1 any right of the Guarantor, by reason of the performance of any of its obligations under this Clause 5, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity will be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and

5.9.2 any amount received or recovered by the Guarantor (1) as a result of any exercise of any such right; or (2) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer (or any Substituted Obligor substituted for the Issuer pursuant to Conditions 4(d) and 15) will be held in trust for the Trustee and immediately paid to the Trustee and the Trustee will hold it on the trusts set out in Clause 8.1.

5.10 **Suspense Accounts**: Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2) in respect of any sum payable by the Issuer under this Trust Deed or the Notes may be placed in a suspense account and kept there for so long as the Trustee thinks fit.

5.11 **Subordination of the Guarantee**:

5.11.1 If, at any time prior to the occurrence of a Trigger Event, a Guarantor Winding-Up occurs, there shall be payable by the Guarantor in respect of Guaranteed Amounts in respect of each Note (in lieu of any other payment by the Guarantor) such amount, if any, as would have been payable to the Noteholder in respect of such Note if, on the day preceding the commencement of such Guarantor Winding-Up and thereafter, such Noteholder were a member of the Guarantor by virtue of being the accountholder pursuant to a subordinated mutual members' account (a "**Notional Subordinated Account**") held with the Guarantor, the terms of which Notional Subordinated Account confers upon such member a right to return of assets in such Guarantor Winding-Up which ranks (1) at least *pari passu* with all claims in respect of Parity Obligations; (2) in priority to all claims in respect of Junior Obligations and (3) junior to the claims of all Senior Creditors, and on the assumption that the amount that such member was entitled to receive in respect of such Notional Subordinated Account, on a return of assets in such Guarantor Winding-Up, was an amount equal to the outstanding principal amount of the relevant Note together with any accrued but unpaid interest thereon (to the extent not previously cancelled in accordance with the Conditions) to the date of payment of such amounts and any damages awarded for breach of any obligations under such Note and this Trust Deed in respect thereof, whether or not the Solvency Condition is satisfied on the date on which the same would otherwise be due and payable.

5.11.2 If any Guarantor Winding-Up has occurred, any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under this Trust Deed and those of any Appointee) and/or the Noteholders in respect of, or arising under, the Guarantee by the liquidator or the administrator (as applicable) of the Guarantor such amount shall, in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii), reduce *pro tanto* the amounts payable by the Issuer under the Notes and this Trust Deed (save to the extent such amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Guarantor or its liquidator or, as appropriate, administrator in accordance with Condition 3(d)).

5.12 **Guarantor Winding-Up occurring on or after a Trigger Event:** If a Guarantor Winding-Up occurs concurrently with or after the occurrence of a Trigger Event (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(a), in which case the provisions of Clause 5.11.1 shall continue to apply as if such Trigger Event had not occurred) and where the Conversion Shares have not yet been delivered to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7), the only rights of the Noteholders (and of the Trustee on their behalf) shall be to claim to have such Conversion Shares delivered to them (or, if an Issuer Winding-Up also occurs prior to delivery of the Conversion Shares, to claim against the Issuer as provided in Condition 3(b)(iii)) and the Noteholders (and the Trustee on their behalf) shall not have any other rights in respect of their Notes, this Trust Deed or any Guaranteed Amounts.

5.13 **Expenses**: The provisions of this Clause 5 apply only to the payment of principal and interest under the Guarantee and nothing in this Clause 5 and Clause 7 shall affect or prejudice the payment of all costs, charges, fees, expenses and liabilities properly incurred by, or otherwise payable to, the Trustee or any Appointee (including remuneration payable to it and any indemnity payments due to it) in carrying out its functions under this Trust Deed or the Trustee's remuneration or the rights and remedies of the Trustee in respect thereof which will not be subordinated in any manner.

5.14 **Subordination not to affect other rights**: Nothing contained in this Trust Deed shall in any way restrict the right of the Guarantor to create, issue, incur, give or assume obligations or guarantees of obligations ranking in priority to or *pari passu* with or junior to the obligations of the Guarantor under this Guarantee and if in the opinion of the Trustee any modification to the provisions of this Clause 5 to permit such ranking is necessary or expedient the Trustee is hereby authorised without any consent or sanction of the Noteholders, and without liability, to concur with the Guarantor and Issuer in executing a supplemental trust deed effecting such modification.

5.15 **Debts of Issuer**: If any moneys become payable by the Guarantor under this Guarantee, the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.

5.16 **Indemnity**: Subject as provided in the Conditions and in this Clause 5 and Clause 7, as separate, independent and alternative stipulations, the Guarantor irrevocably agrees (A) that any sum which, although expressed to be payable by the Issuer under this Trust Deed or the Notes, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, any Substituted Obligor, the Trustee or any Noteholder) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Trustee on demand; and (B) as a primary obligation to indemnify the Trustee and each Noteholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under this Trust Deed or the Notes not being paid on the due date for payment and otherwise in the manner specified in this Trust Deed or any payment obligation of the Issuer under this Trust Deed or the Notes being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee or any Noteholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

The indemnity contained in this Clause 5.16 shall survive the termination or expiry of this Trust Deed or the resignation or retirement of the Trustee.

6 Status of the Notes

The Notes constitute direct and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in any Issuer Winding-Up are as described in this Trust Deed and Condition 3.

7 Solvency Condition and Set-off

7.1 Solvency Condition:

7.1.1 Other than (A) in circumstances where a Guarantor Winding-Up has occurred or is occurring, or (B) in respect of a claim against the Issuer as provided in Condition 3(b)(iii) (but subject, in each case, to Condition 3(b)(v)):

(i) all payments by the Issuer under or arising from (including any damages awarded for breach of any obligations under) the Notes or this Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer, and no amount shall be due or payable by the Issuer under or arising from the Notes or this Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter; and

(ii) all payments by the Guarantor under or arising from (including any damages awarded for breach of any obligations under) the Notes or this Trust Deed shall be conditional upon the Guarantor being solvent at the time for payment by the Guarantor and no amount shall be due or payable by the Guarantor under or arising from the Notes or the Trust Deed (including, without limitation, the Guarantee) unless and until such time as the Guarantor could make such payment and still be solvent immediately thereafter,

the "**Solvency Condition**".

7.1.2 The Issuer will be "**solvent**" if it is able to pay its debts owed to Issuer Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities, and the Guarantor will be "**solvent**" if (i) it is able to pay its debts owed to Senior Creditors and Parity Creditors as they fall due and (ii) its Assets exceed its Liabilities. A certificate as to solvency or lack thereof of the Issuer or the Guarantor signed by two Directors of the Issuer or the Guarantor or, if there is an Issuer Winding-Up or a Guarantor Winding-Up, the liquidator or, as the case may be, the administrator of the Issuer or the Guarantor shall, in the absence of manifest error be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

7.2 Certificates: Without prejudice to Clause 11.4, the Trustee shall be entitled and is hereby authorised to call for certificates from the liquidator or administrator of the Issuer or the Guarantor (as the case may be) as to:

7.2.1 the date upon which any Issuer Senior Creditors or any Senior Creditors were, or the liquidator or administrator of the Issuer or the Guarantor (as the case may be) considers will be, paid or discharged in full; and

7.2.2 the amounts of the claims in respect of all Parity Obligations and Junior Obligations and the persons entitled thereto and their respective entitlements other than in respect of the indebtedness of the Guarantor under the Notes.

7.3 **Set-off**: By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived and to have directed and authorised the Trustee on its behalf to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer or the Guarantor in respect of or arising under the Notes or this Trust Deed (including the Guarantee) whether prior to or in liquidation, winding-up or administration. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under the Notes or this Trust Deed (including the Guarantee) are discharged by set-off, such Noteholder will immediately pay an amount equal to the amount of such discharge to the Issuer, or as appropriate, the Guarantor or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer or, as appropriate, the Guarantor and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, as appropriate, the Guarantor or, if applicable, the liquidator, trustee, receiver or administrator in the relevant liquidation, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

8 Application of Moneys Received by the Trustee

8.1 **Declaration of Trust**: All moneys received by the Trustee in respect of the Notes or amounts payable under this Trust Deed will, despite any appropriation of all or part of them by the Issuer or the Guarantor, be held by the Trustee on trust to apply them (subject to Clause 5.9.2 and the remainder of this Clause 8):

8.1.1 first, for application in payment or satisfaction of all costs, charges, fees, expenses and liabilities properly incurred by, or otherwise payable to, the Trustee or any Appointee (including remuneration payable to it and any indemnity payments due to it) in carrying out its functions under this Trust Deed;

8.1.2 secondly, in payment of any amounts owing in respect of the Notes and the Guarantee *pari passu* and rateably; and

8.1.3 thirdly, in payment of any balance to the Issuer for itself, or if any moneys were received from the Guarantor and to the extent of such moneys, to the Guarantor.

If the Trustee holds any moneys in respect of Notes which have become void under Condition 11 or subject to Automatic Conversion, the Trustee will hold them on these trusts.

8.2 **Investments**: No provision of this Trust Deed shall (a) confer on the Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by this Trust Deed 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 this Trust Deed 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.

8.3 **Deposits**: 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.

8.4 **Negative Interest**: 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.

8.5 **Accumulation**: The Trustee may at its discretion accumulate such deposits and the resulting interest and other income derived thereon. The accumulated deposits shall be applied under Clause 8.1. 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 10 to the Trustee and/or any Appointee and otherwise held (subject to Clause 5.9.2) for the benefit of and paid to the Noteholders of such series.

9 Covenants

So long as any Note is outstanding, the Issuer and the Guarantor will each:

9.1 **Books of Account**: keep, and procure that each of its Subsidiaries (if any) keeps, proper books of account and, at any time after an Event of Default has occurred or, if the Trustee reasonably believes that such an event has occurred, so far as permitted by applicable law, allow, and procure that the Issuer, the Guarantor and each of their respective Subsidiaries will allow, the Trustee and anyone appointed by it to whom the Issuer, the Guarantor or the relevant Subsidiary has no reasonable objection, access to its books of account at all reasonable times during normal business hours;

9.2 **Notice of Events of Default**: give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any action;

9.3 **Information, etc.**: so far as permitted by applicable law, give or procure to be given to the Trustee such advice, opinions (legal or otherwise), certificates, reports, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the Issuer and/or the Guarantor of all such certificates called for by the Trustee pursuant to Clause 11.4) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under this Trust Deed, the Agency Agreement, the Notes or any related document or by operation of law;

9.4 **Financial Statements etc.**: send to the Trustee as soon as practicable after their date of publication, and, in the case of annual financial statements in any event within 180 days of the end of each financial year, three copies in English of every balance sheet, profit and loss account, report or other notice, statement or circular issued, or which legally or contractually should be issued, to the members or creditors (or any class of them) of the Issuer or the Guarantor or any holding company thereof generally in their capacity as such;

9.5 **Certificate of Directors**: send to the Trustee, by the earlier of (A) the 14th calendar day after its annual audited financial statements having been made available to its members and (B) the 180th calendar day after its financial year-end, and otherwise forthwith on request in writing by the Trustee deliver a certificate signed by two Directors of the Issuer or the Guarantor (as the case may be), stating that having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor (as the case may be), as at a date (the "**Certification Date**") not more than five days before the date of the certificate, no Event of Default since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such is not the case, specifying the particulars of any Event of Default;

9.6 **Notices to Noteholders**: obtain the prior written approval of the Trustee to, and at least five Business Days prior to the date on which the notice is to be given to Noteholders give to the Trustee two copies of, the form of every notice given to the Noteholders (such approval, unless so expressed, not to constitute approval of any such notice for the purposes of Section 21 of the FSMA of any such notice which is a communication within the meaning of Section 21 of the FSMA);

9.7 **Agents**: at all times maintain such Agents as are required by the Conditions;

9.8 **Documents for Inspection**: procure that the Principal Paying Agent, the Registrar and each Transfer Agent appointed pursuant to the Agency Agreement makes available for inspection at its specified office copies of this Trust Deed, the Agency Agreement and the then latest audited balance sheet and profit and loss account (consolidated if applicable) of each of the Issuer and the Guarantor;

9.9 **Further Acts**: so far as permitted by applicable law, do all such further things as may be necessary in the opinion of the Trustee to give effect to this Trust Deed;

9.10 **Notification of Non-payment by the Principal Paying Agent**: 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 or any of them receive unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Notes;

9.11 **Notice of Late Payment**: forthwith upon request by the Trustee give notice to the Noteholders of any unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of the Notes made after the due date for such payment;

9.12 **Notification of Redemption**: not less than three Business Days prior to the redemption date in respect of any Note give to the Trustee notice in writing of the amount of such redemption pursuant to the Conditions and (subject to Conditions 3(c) and 9) duly proceed to redeem such Notes;

9.13 **Register**: deliver or procure the delivery to the Trustee of an up-to-date copy of the Register in respect of the Notes, certified as being a true, accurate and complete copy, at such times as the Trustee may reasonably require;

9.14 **Redemption**: if the Issuer gives notice to the Trustee that it intends to redeem the Notes pursuant to Conditions 9(g), 9(h), 9(i), 9(j) or 9(k) the Issuer shall, prior to 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 Conditions;

9.15 **Supervisory Consent**: where the Regulatory Clearance Condition is required to be satisfied before any payment is made or any other action is taken under this Trust Deed or the Notes, meet such Regulatory Clearance Condition promptly before making such payment or taking such action and deliver to the Trustee a certificate signed by any two Directors of the Issuer or the Guarantor confirming such compliance;

9.16 **Interest Cancellation**: where any election to cancel payment of any interest (or any Guaranteed Amount in respect thereof) under Condition 6(a) is made or where any payment of any interest (or any Guaranteed Amount in respect thereof) pursuant to Condition 6(b) is mandatorily cancelled, give notice of such election or mandatory cancellation to the holders (in accordance with Conditions 6(e) and 14), the Trustee and the Principal Paying Agent and, in the case of a mandatory cancellation, deliver a certificate signed by two Directors of the Issuer or the Guarantor (as the case may be) confirming that: (A) a Mandatory Interest Cancellation Event has occurred and is continuing or would occur if payment of interest (or Guaranteed Amounts in respect thereof) on the Notes were to be made; or (B) a Mandatory Interest Cancellation Event has ceased to occur and/or payment of interest (or Guaranteed Amounts in respect thereof) on the Notes would not result in a new or further Mandatory Interest Cancellation Event occurring;

9.17 **Redemption Deferral**: in the case of a mandatory deferral of redemption in accordance with Condition 9(d), deliver a certificate to the Trustee signed by two Directors of the Issuer or the Guarantor (as the case may be) confirming that: (A) the Redemption and Purchase Conditions are not met or would cease to be met if the proposed redemption or purchase were to be made; or (B) the Redemption and Purchase Conditions are met and would continue to be met if the proposed redemption or purchase were to be made;

9.18 **Automatic Conversion**: in the case of the Issuer (failing which, the Guarantor) being required to give a Trigger Event Notice pursuant to Condition 7(a), deliver a certificate to the Trustee signed by two Directors of the Issuer or the Guarantor certifying the accuracy of the contents of the Trigger Event Notice;

9.19 **Substitutions or Variations**: if any substitution or variation of the Notes or any substitution of the Issuer or the Guarantor is proposed, deliver to the Trustee a certificate signed by two Directors of the Issuer or, as applicable, the Guarantor setting out (A) the circumstances and entitlement of the Issuer or the Guarantor to effect such substitution and/or variation and (B) confirming that the Qualifying Securities contain terms which comply with then current requirements of the Relevant Rules in relation to Tier 1 Capital;

9.20 **Admission**: use all reasonable endeavours to maintain the admission of the Notes on the Market but, if it is unable to do so, having used such endeavours, or if the maintenance of such admission is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Noteholders would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing of the Notes on another Recognised Stock Exchange (as defined in Section 1005 of the Income Tax Act 2007) and the admission to trading of the Notes on such other stock exchange or market;

9.21 **Change in Agents**: give at least 14 days' prior notice to the Noteholders in accordance with Condition 14 of any future appointment, resignation or removal of an Agent or of any change by an Agent of its specified office, and not make any such appointment or removal without the Trustee's written approval;

9.22 **Notes Held by the Issuer, the Guarantor etc.**: send to the Trustee as soon as practicable after being so requested by the Trustee in writing a certificate of the Issuer or the Guarantor (as the case may be) signed by any two Directors of the Issuer or the Guarantor, as applicable, stating the number of Notes held at the date of such certificate by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries;

9.23 **Change in Ratings**: notify the Trustee of any change to the rating of the Notes;

9.24 **Transfer of Business**: not less than 10 Business Days prior to any transfer of the whole or a substantial part of the Guarantor's business as contemplated by Condition 17, give to the

Trustee notice in writing of the details of such transfer and provide such further information as the Trustee may request;

9.25 **PRA Notification**: where notification to and/or confirmation from the PRA that it has no objection to the making of any payment or the taking of any other action under the Conditions or this Trust Deed is required to be obtained before the making of such payment or the taking of such action pursuant to this Trust Deed, give the requisite period of notice as provided for in the Conditions or this Trust Deed or, if such notice requirement is not so provided for in the Conditions, six months' prior written notice to the PRA before such payment is made or such other action is taken (or such shorter period of notice as the PRA may accept and so long as such notice is required to be given);

9.26 **PRA Objection**: having received an objection to the making of any payment or taking of any action pursuant to the Conditions or this Trust Deed from the PRA following notification thereof to the PRA pursuant to Clause 9.25, promptly notify the Trustee in writing thereof and, if permitted by applicable law, regulation or by the PRA, provide a copy thereof to the Trustee;

9.27 **Tax Event, Capital Disqualification Event, Ratings Methodology Event, Accounting Event and Clean-Up Event**:

9.27.1 give to the Trustee, upon becoming aware of the occurrence of a Tax Event, a Capital Disqualification Event, a Ratings Methodology Event, an Accounting Event or a Clean-Up Event, a certificate from two Directors of the Issuer or the Guarantor stating that, as the case may be, the Issuer is entitled to redeem, vary or substitute the Notes on the grounds that a Tax Event, a Capital Disqualification Event, a Ratings Methodology Event, an Accounting Event or a Clean-Up Event has occurred and is continuing as at the date of the certificate or (in the case of a Capital Disqualification Event or a Ratings Methodology Event) will occur within a period of six months or (in the case of an Accounting Event) will occur within a period of twelve months and if, having occurred, such Capital Disqualification Event, Ratings Methodology Event or Accounting Event ceases or (in the case of a Capital Disqualification Event or a Ratings Methodology Event) will no longer occur within a period of six months or (in the case of an Accounting Event) will no longer occur within a period of twelve months, the Issuer or the Guarantor (as the case may be) shall provide the Trustee with notice thereof as soon as practicable; and

9.27.2 agree to pay the properly incurred costs and expenses of any legal or financial advisers appointed by the Issuer and/or the Guarantor with the prior written approval of the Trustee for the purposes of (A) making a determination pursuant to Condition 9(l); and (B) providing such advice as may be required by the Trustee to satisfy it, as to whether, as applicable, a Capital Disqualification Event will occur within a period of six months as a result of any change to the Relevant Rules (or change to the interpretation of the Relevant Rules by any court or authority entitled to do so), a Ratings Methodology Event will occur within a period of six months as a result of any change in (or clarification to) the methodology of the Rating Agency (or in the interpretation of such methodology) or an Accounting Event will occur within a period of twelve months as a result of any change in the application or interpretation of any applicable accounting principles;

9.28 **Compliance**: comply and procure that each of its Agents complies with its obligations under the Notes and the Agency Agreement;

9.29 **Information Reporting**: each of the Issuer and the Guarantor shall, within ten business days of a written request by the Trustee, supply to the Trustee such forms, documentation and other information relating to it, its operations, or the Notes as the Trustee reasonably requests for the purposes of its compliance with Applicable Law and shall notify the Trustee reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by it is (or becomes) inaccurate in any material respect; provided, however, that neither the Issuer nor the Guarantor shall be required to provide any forms, documentation or other information pursuant to this Clause 9.29 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to it and cannot be obtained by it using reasonable efforts; or (ii) doing so would or might in its reasonable opinion constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this Clause, "**Applicable Law**" means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any party to this Agreement is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any party, and "**Authority**" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction; and

9.30 **Holder to be treated as Owner**: the Trustee shall (except as ordered by a court of competent jurisdiction or as required by law or otherwise instructed by the Issuer and/or the Guarantor, with the approval of the Trustee) be entitled to treat the registered holder of any Note as the absolute owner or owners of such Note for all purposes (whether or not overdue and notwithstanding any notice of ownership or writing on the Certificate relating to such Note or any notice of previous loss or theft or of trust or other interest therein) and shall not be liable for so doing.

10 Remuneration and Indemnification of the Trustee

10.1 **Normal Remuneration**: So long as any Note remains outstanding, the Issuer (failing whom, the Guarantor) will pay the Trustee as remuneration for its services as Trustee such sum on such dates, in each case, as the Issuer, the Guarantor and the Trustee may from time to time in writing agree. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Noteholder of moneys due in respect of any Note is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment to such Noteholder is duly made.

10.2 **Extra Remuneration**: If an Event of Default shall have occurred, the Issuer and the Guarantor hereby agree that the Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the Trustee finds it expedient or necessary or is requested by the Issuer or the Guarantor to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Issuer (failing whom, the Guarantor) will pay such additional remuneration as they may agree (and which may be calculated by reference to the Trustee's normal hourly rates in force from time to time) or, failing agreement as to any of the matters in this Clause 10.2 (or as to such sums referred to in Clause 10.1), as determined by a financial institution or person (acting as an expert) selected by the Trustee and approved by the Issuer or the Guarantor or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such financial institution's fee will be borne by the Issuer (failing whom the Guarantor). The determination of such financial institution or person will be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Noteholders.

10.3 **Fees and Expenses**: The Issuer (failing whom, the Guarantor) will also on demand by the Trustee discharge all fees, costs, charges, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed and the performance of its functions under this Trust Deed and the Notes, 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 legal proceedings reasonably brought or contemplated by the Trustee against the Issuer or the Guarantor to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, any provision of this Trust Deed. Such fees, costs, charges and expenses and any other amounts payable pursuant to Clause 10.4 will:

10.3.1 in the case of payments made by any person before demand, carry interest from the date of the demand at the rate of 2 per cent. per annum over the base rate of HSBC Bank plc from time to time; and

10.3.2 in other cases carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

All payments made by the Issuer or the Guarantor pursuant to this Clause 10.3 shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction, the United Kingdom, Luxembourg and Belgium or any political sub-division or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer (failing whom, the Guarantor) shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it if no such withholding or deduction had been required.

10.4 **Indemnity**: Subject to Sections 750 and 751 of the Companies Act (if applicable) and without prejudice to the right of indemnity given by law to Trustees, the Issuer and the Guarantor will on demand jointly and severally indemnify the Trustee in respect of itself and any Appointee, in each case on an after-tax basis, and keep it or him indemnified against all liabilities and expenses to which it or he may become subject or which may be incurred by it or him in (A) the negotiation and preparation of this Trust Deed and the other transaction documents; (B) the execution or purported execution or exercise of any of its or their trusts, duties, rights, powers, authorities and discretions under this Trust Deed or any other transaction documents; or (C) its or their functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Trust Deed or any other transaction documents or any such appointment (including, without limitation, liabilities incurred in disputing or defending any of the foregoing).

10.5 **Continuing Effect**: Clauses 10.3 and 10.4 shall continue in full force as regards the Trustee even if it no longer is Trustee.

11 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

11.1 **Advice**: The Trustee may rely and act on the advice, opinion or report of or any information obtained from any lawyer, accountant (including the Auditors), banker, valuer, surveyor, broker, auctioneer or other relevant expert (whether obtained by the Issuer, the Guarantor, any Substituted Obligor, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee may also rely and act upon certificates and/or information addressed to it from, or delivered by, the Issuer, the Guarantor, the Substituted Obligor or any one or more directors of the Issuer, the Guarantor or the Substituted Obligor or any of their respective auditors, liquidators, administrators or other insolvency officials. The Trustee will not be responsible to anyone for any liability occasioned by so acting. Any such advice, opinion or information may be sent or obtained by letter or e-mail and the Trustee shall not be liable for acting in good faith on any advice, opinion, report or information purporting to be conveyed by such means even if it contains an error or is not authentic. The Trustee shall be obliged to accept and be entitled to rely without liability on any such report, confirmation or certificate where the Issuer or the Guarantor procures delivery of the same pursuant to an obligation to do so under the Conditions or this Trust Deed and such report, confirmation or certificate shall be conclusive and binding on the Issuer, the Guarantor, the Trustee and the Noteholders. The Trustee may assume that any clearance, consent or approval which may be required, or any condition which has to be satisfied, before any payment can be made by the Issuer or the Guarantor under or in respect of the Notes or this Trust Deed has been so obtained or satisfied unless it has actual written notice to the contrary and it shall have no liability to any person for any payment incorrectly made nor any obligation to reimburse any person in respect of any such payment already made if it subsequently becomes apparent that the relevant clearance, consent or approval had not been obtained or the relevant condition has not been satisfied.

11.2 **Trustee to Assume Performance**: The Trustee need not notify anyone of the execution of this Trust Deed or take any steps to find out whether a Trigger Event, an Automatic Conversion or Event of Default has occurred. Until it has actual knowledge or express notice pursuant to this Trust Deed to the contrary, the Trustee may assume that no Trigger Event, Automatic Conversion or Event of Default has occurred and that the Issuer and the Guarantor are performing all of their respective obligations under this Trust Deed and the Notes.

11.3 **Resolutions of Noteholders**: The Trustee will not be responsible for having acted in good faith on a resolution purporting (A) to have been passed at a meeting of Noteholders in respect of which minutes have been made and signed or (B) to be a written or electronic resolution made in accordance with Paragraph 21 of Schedule 3, even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Noteholders.

11.4 **Certificate Signed by Directors**: If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate of the Issuer or the Guarantor signed by any two Directors of the Issuer or the Guarantor, as applicable. The Trustee need not call for further evidence and will not be responsible for any liability that may be occasioned by acting on such a certificate.

11.5 **Deposit of Documents**: The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

11.6 **Discretion**: The Trustee will have absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise.

11.7 **Agents**: Whenever it considers it expedient, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).

11.8 **Delegation**: The Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions.

11.9 **Nominees**: In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.

11.10 **Forged Notes**: The Trustee will not be liable to the Issuer, the Guarantor or any Noteholder by reason of having accepted as valid or not having rejected any entry in the Register or any Note or Certificate purporting to be such and later found to be forged or not authentic.

11.11 **Confidentiality**: Unless ordered to do so by a court of competent jurisdiction, the Trustee shall not be required to disclose to any Noteholder any confidential financial or other information made available to the Trustee by the Issuer or the Guarantor.

11.12 **Determinations Conclusive**: As between itself and the Noteholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Trustee and the Noteholders.

11.13 **Currency Conversion**: Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Guarantor and the Noteholders.

11.14 **Responsibility for Agents etc.:** The Trustee will not have any obligation to supervise any Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee’s misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

11.15 **Payment for and Delivery of Notes**: The Trustee will not be responsible for the receipt or application by the Issuer or the Guarantor (as the case may be) of the proceeds of the issue of the Notes, any exchange of Notes or the delivery of Notes to the persons entitled to them.

11.16 **Notes Held by the Issuer, the Guarantor etc.**: In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer or the Guarantor under Clause 9.22) that no Notes are for the time being held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries.

11.17 **FSMA**

11.17.1 Notwithstanding anything in this Trust Deed, the Agency Agreement, the Notes or any other related document to the contrary, the Trustee shall not do, or be authorised or required to do, anything which might constitute a regulated activity for the purpose of FSMA, unless it is authorised under FSMA to do so. The Trustee shall have the discretion at any time:

(i) to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licences; and

(ii) to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so.

11.17.2 Nothing in this Trust Deed shall require the Trustee to assume an obligation of the Issuer or the Guarantor arising under any provisions of the listing, prospectus, disclosure or transparency rules (or the equivalent rules of any other competent authority besides the FCA).

11.18 **Substitution and Variation**: Nothing contained in this Trust Deed or the Notes shall require the Trustee to consider whether the rights of Noteholders are prejudiced or potentially prejudiced by any substitution or variation of the Notes pursuant to Condition 9(g), 9(h), 9(i) or 9(j) or any substitution of the Issuer or the Guarantor pursuant to Condition 15.

11.19 **Own funds:** Nothing contained in this Trust Deed, the Notes, the Agency Agreement or any related document shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity, or security for, against such risk or liability is not reasonably assured to it.

11.20 **Illegality**: Notwithstanding anything else contained in this Trust Deed, the Notes, the Agency Agreement or any related document, the Trustee may refrain from (A) doing anything which would or might in its opinion be illegal or contrary to any law of any jurisdiction or any directive or regulation of any agency of any state (including, without limitation, Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act), or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation, or (B) doing 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.

11.21 **Rating Agency Reports**: The Trustee shall be entitled to request and rely upon any information or report provided by any credit rating agency of international standing which has assigned a rating to the Notes whether addressed to the Trustee or any other person.

11.22 **Rating Agency Affirmation**: The Trustee shall be entitled to assume, without further investigation or inquiry, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to the Trust Deed or any other related document (including, without limitation, any consent, approval, modification, waiver, authorisation or determination), that such exercise or performance will not be materially prejudicial to the interests of the Noteholders, if any credit rating agency of international standing which has assigned a rating to the Notes has confirmed in writing (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Trustee and irrespective of the method by which such confirmation is conveyed) that the then current rating by it of the outstanding Notes would not be adversely affected or withdrawn in connection therewith.

11.23 No Responsibility for Rating: The Trustee will have no responsibility for the obtaining or maintenance of any rating of the Notes by a credit rating agency of international standing or any other person.

11.24 Clearing Systems: The Trustee may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation to the principal amount of the Notes beneficially owned by 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 EasyWay or Clearstream, Luxembourg's Xact Web Portal system) in accordance with its usual procedures and in which the holder of a particular principal amount of the Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to the Issuer, the Guarantor, any Noteholder or any other person by reason of having accepted as valid or not having rejected any certificate, letter of confirmation or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg or any other relevant clearing system as to the principal amount of the Notes beneficially owned by any person or any other matter and subsequently found to be forged or not authentic.

11.25 Legal Opinions: The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Notes or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any liability incurred thereby.

11.26 Withholding Tax by the Trustee and Right to Deduct or Withhold: Notwithstanding anything contained herein, to the extent required by any applicable law, if the Trustee is required to make any deduction or withholding from any distribution or payment made by it under this Trust Deed or if the Trustee is otherwise charged to, or may become liable to, tax as a consequence of performing its duties under this Trust Deed and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed or any Notes from time to time representing the same, including any income or gains arising therefrom, or any action of the Trustee in or about the administration of the trusts hereunder or otherwise, in any case other than any tax generally payable by the Trustee on its income, then the Trustee shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it in respect of this Trust Deed an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee on the trusts hereunder.

11.27 Noteholders treated as a class: In connection with the exercise by it of any of its trusts, powers, authorities and discretions under this Trust Deed (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 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) or be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

11.28 **Recitals and Monitoring**: The Trustee shall not be responsible for the execution, effectiveness, adequacy or enforceability of the Trust Deed or the Agency Agreement, and 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 this Trust Deed, or otherwise in respect of or in relation to this Trust Deed or any other agreement or document relating to the transactions herein or therein contemplated nor shall the Trustee be under any obligation to monitor or supervise the functions of any other person under this Trust Deed or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.

12 Trustee Liable for Negligence

12.1 **Trustee Act 2000**: Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by the Trust Deed. Where there are any inconsistencies between the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall prevail to the extent allowed by law. In the case of an inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall take effect as a restriction or exclusion for the purposes of that Act.

12.2 **Companies Act**: Subject to Sections 750 and 751 of the Companies Act (if applicable) and notwithstanding anything to the contrary in this Trust Deed, the Notes, the Agency Agreement or any related document, 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 having regard to the provisions of this Trust Deed, the Notes and the Agency Agreement conferring on it any trusts, powers, authorities or discretions.

12.3 **Liability for Actual Loss only**: Any liability of the Trustee arising under the Trust Deed, the Notes, the Agency Agreement or any related document shall be limited to the amount of actual loss suffered (such loss shall be determined as at the date of default of the Trustee or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Trustee at the time of entering into the Trust Deed, the Notes or the Agency Agreement, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall the Trustee be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential loss or damage of any kind whatsoever, whether or not foreseeable, whether or not the Trustee has been advised of the possibility of such loss or damage and regardless of the form of action. This Clause 12.3 shall not apply in the event that a court with jurisdiction determines that the Trustee has acted fraudulently, or to the extent the limitation of such liability would be precluded by virtue of Sections 750 and 751 of the Companies Act.

13 Waiver, Enforcement and Proof of Default

13.1 **Waiver**: The Trustee may, without the consent of the Noteholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Noteholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer or the Guarantor of this Trust Deed or the Conditions, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 12. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Noteholders and, if the Trustee so requires, will be notified to the Noteholders as soon as practicable.

13.2 **Legal Proceedings**: The Trustee may at any time and subject to the terms of this Trust Deed and the relevant Conditions, at its discretion and without further notice, institute such steps, actions or proceedings as it may think fit against the Issuer or the Guarantor (as the case may be) to recover any amounts due in respect of the Notes which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions, but it shall not be bound to take any such steps, actions or proceedings unless (A) it shall have been so requested by an Extraordinary Resolution or so requested in writing by the holders of at least one fifth in principal amount of the Notes then outstanding and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith and provided that 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. Only the Trustee may enforce the provisions of the Notes or this Trust Deed and no Noteholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails or is unable to do so within 60 days and such failure or inability is continuing.

13.3 **Limitation on Remedies**: Save as contemplated by Clause 13.5, no remedy against the Issuer or the Guarantor shall be available to the Trustee, or the Noteholders, other than:

13.3.1 If, prior to the occurrence of a Trigger Event, (1) neither an Issuer Winding-Up nor a Guarantor Winding-Up has occurred or (2) an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring and, in either case, the Issuer is in default in the payment of any principal due in respect of the Notes or any of them, the Trustee and (where permitted to do so pursuant to Condition 12(d)) the Noteholders may, in accordance with Condition 3(b) and the terms of the Guarantee, but subject also to Clause 7.1 and Conditions 3(c), 6(a), 6(b), 7, 9(b) and 9(d), claim under the Guarantee for such payments due but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or this Trust Deed;

13.3.2 If, prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee and (where permitted to do so pursuant to Condition 12(d)) the Noteholders may claim under the Guarantee for the Guaranteed Amounts and may prove in the relevant winding-up or administration of the Issuer and/or the Guarantor (whether in England and Wales or elsewhere) and/or claim in the liquidation of the Issuer and/or the Guarantor (whether in England and Wales or elsewhere), such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i) or 4(b), as applicable, and Clause 5 of this Trust Deed but may take no further or other action to enforce, prove or claim for any payment by the Issuer or the Guarantor in respect of the Notes or this Trust Deed (including, without limitation, the Guarantee);

13.3.3 If, prior to the occurrence of a Trigger Event:

(i) default is made by the Guarantor for a period of 14 days or more in the payment of any Guaranteed Amount due under the Guarantee in respect of principal; or

(ii) a Guarantor Winding-Up occurs at any time when an Issuer Winding-Up has not also occurred or is not occurring,

the Trustee at its discretion may, and if so requested by Noteholders of at least one fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction):

(x) institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere) and prove in the winding-up and/or administration of the Issuer and/or claim in the liquidation of the Issuer, such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i), but may take no further or other action against the Issuer to enforce, prove or claim for any payment due in respect of the Notes or the Trust Deed; and

(y) in the case of Clause 13.3.3(i) above, institute proceedings for the winding-up of the Guarantor in England and Wales (but not elsewhere) and, in the case of Clause 13.3.3(i) or Clause 13.3.3(ii), prove in the winding-up or administration of the Guarantor (whether in England and Wales or elsewhere) and/or claim in the liquidation of the Guarantor (whether in England and Wales or elsewhere), such claim being as described in, and subordinated in the manner described in, Condition 4(b) and Clause 5 of this Trust Deed but (in either case) may take no further or other action against either the Issuer or the Guarantor to enforce, prove or claim for any payment due in respect of the Notes or this Trust Deed (including the Guarantee), save as provided in Condition 3(b)(v); and/or

13.3.4 If (whether or not a Guarantor Winding-Up also occurs at or after such time) an Issuer Winding-Up occurs concurrently with or after the occurrence of a Trigger Event (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(a), in which case the provisions of 13.3.1 or 13.3.2 above, as applicable, shall continue to apply as if such Trigger Event had not occurred), and the Conversion Shares have not yet been delivered to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7), the Trustee may prove in the relevant winding-up or administration of the Issuer and/or claim in the liquidation of the Issuer, such claim being as described in Condition 3(b)(iii), but may take no further or other action to enforce, prove or claim for any payment by the Issuer or the Guarantor in respect of the Notes or the Trust Deed (including, without limitation, the Guarantee),

in each case, as more fully described in Condition 12.

Any claim against the Issuer or, as appropriate, the Guarantor pursuant to Clause 13.3.3 for amounts in respect of principal and/or interest or, as the case may be, Guaranteed Amounts, shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Guarantor or, as appropriate, the Issuer and any claim against the Guarantor or, as appropriate, (and in addition to the assignments set out in Conditions 3(b)(i) and (ii)), the Issuer for amounts in respect of Guaranteed Amounts or, as appropriate, principal and/or interest shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Issuer or, as appropriate, the Guarantor.

13.4 **Enforcement of Non-payment Obligations**: Without prejudice to Clause 13.3 and save as contemplated by Clause 13.5, the Trustee may at its discretion and without further notice institute such proceedings or take such steps or actions against the Issuer or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor (as the case may be) under this Trust Deed or the Notes (other than any payment obligation of the Issuer or the Guarantor under or arising from the Notes or this Trust Deed (including the Guarantee), including any payment of damages awarded for breach of any obligations thereunder) but in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. Nothing in this Clause 13.4 shall, however, prevent the Trustee or the Noteholders from pursuing the remedies to which they are entitled pursuant to Clause 13.3 or Clause 13.5.

13.5 **Rights of the Trustee**: Nothing in this Trust Deed or the Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee or other amounts payable to the Trustee or any Appointee under this Trust Deed or the rights and remedies of the Trustee or any Appointee in respect thereof.

13.6 **Proof of Default:** Proof that the Issuer or the Guarantor has failed to pay a sum due to the holder of any one Note pursuant to the Notes or the Guarantee will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Notes which are then payable.

13.7 **Conversion Shares:** If the Issuer fails to issue and deliver the Conversion Shares to be issued and delivered on an Automatic Conversion to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7) in accordance with the Conditions, a Noteholder's only right under the Notes against the Issuer for any such failure will be to claim to have such Conversion Shares issued and delivered in accordance with Condition 7 (or, if an Issuer Winding-Up also occurs prior to the delivery of the Conversion Shares, to claim against the Issuer as provided in Condition 3(b)(iii)).

Provided that the Issuer issues and delivers the Conversion Shares to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7) in accordance with the Conditions, with effect from the Conversion Shares Delivery Date, Noteholders shall have recourse only to the Conversion Shares Depositary (or to such other relevant recipient, as applicable) for the delivery to them of the Conversion Shares to which such Noteholders are entitled.

With effect from the delivery of the Conversion Shares to the Conversion Shares Depositary in accordance with the Conditions, subject as otherwise provided herein, the Trustee shall have no further obligations under this Trust Deed.

14 Trustee not Bound to Act

14.1 **Trustee Discretion:** In relation to any discretion to be exercised or action to be taken by the Trustee under the Trust Deed, the Notes, the Agency Agreement or any related document, the Trustee may, at its discretion and without further notice or shall, if it has been so directed by an Extraordinary Resolution of the Noteholders then outstanding or so requested in writing by the holders of at least one fifth in principal amount of such Notes, exercise such discretion or take such action, provided that (A) in either case, the Trustee shall not be obliged to exercise such discretion or take such action unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities; and (B) the Trustee shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Noteholders.

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.

14.2 **Compliance with law:** The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that 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.

15 Trustee not Precluded from Entering into Contracts

The Trustee and any other person (including its directors and officers), whether or not acting for itself, may (A) acquire, hold or dispose of any Note or other security (or any interest therein) of the Issuer, the Guarantor, any of their respective Subsidiaries or any other person; (B) enter into or be interested in any contract or transaction with any such person; and (C) act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit to the Noteholders or any other person.

16 Modification, Substitution and Redemption

16.1 **Modification**: Any modification to the Trust Deed will be subject to the Issuer or the Guarantor satisfying the Regulatory Clearance Condition. Subject thereto, the Trustee may agree with the Issuer and/or the Guarantor without the consent of the Noteholders to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed:

16.1.1 which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders;

16.1.2 which is, in its opinion, is of a formal, minor or technical nature or to correct a manifest error; or

16.1.3 which is required in connection with Condition 9(g), 9(h), 9(i), 9(j) or 15, in each case, provided that such power does not extend to any such modification as is mentioned in the proviso to Paragraph 3 of Schedule 3 unless it relates to the substitution or variation of the Notes pursuant to Condition 9(g), 9(h), 9(i) or 9(j) or any consequential amendments to the Conditions and/or this Trust Deed approved by the Trustee in connection with a substitution of the Issuer or the Guarantor pursuant to Clause 16.2.

16.2 Substitution:

16.2.1 Subject to Condition 15(b), the Trustee shall, at the request of the Issuer and the Guarantor, agree with the Issuer and the Guarantor without the consent of the Noteholders:

(i) to the substitution of the Guarantor in place of the Issuer as principal debtor under the Trust Deed and the Notes; or

(ii) (subject to the Notes remaining unconditionally and irrevocably guaranteed on a subordinated basis, in accordance with Condition 4, by the Guarantor) to the substitution of a Subsidiary or parent company of: (i) the Issuer or its successor in business or (ii) the Guarantor or its successor in business, in place of the Issuer or any previous substitute under this Clause 16 as principal debtor under this Trust Deed and the Notes; or

(iii) to the substitution of a successor in business to the Guarantor in place of the Guarantor or any previous substitute under this Clause 16,

(each such substitute being hereinafter referred to as the "**Substituted Obligor**"), provided that in each case:

(a) a trust deed or some other form of undertaking, supported by one or more legal opinions, is executed by the Substituted Obligor in a form and manner satisfactory to the Trustee, agreeing to be bound by the terms of this Trust Deed and (in the case of Clause 16.2.1(i) and Clause 16.2.1(ii) above) the Notes, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substituted Obligor had been named in this Trust Deed and (in the case of Clause 16.2.1(i) and Clause 16.2.1(ii) above) the Notes, as the principal debtor in place of the Issuer (in the case of Clause 16.2.1(i) and Clause 16.2.1(ii) above) or as the guarantor in place of the Guarantor (in the case of Clause 16.2.1(iii) above) (or of any previous relevant Substituted Obligor, as the case may be);

(b) the Substituted Obligor delivers to the Trustee one or more legal opinions addressed to the Trustee, the Issuer and the Guarantor in a form approved by, and provided to, the Trustee that (i) the Substituted Obligor has obtained all necessary governmental and regulatory approvals and consents necessary for its assumptions of the duties and liabilities as Substituted Obligor under this Trust Deed and (in the case of Clause 16.2.1(i) and Clause 16.2.1(ii) above) the Notes in place of the Issuer or the Guarantor (as applicable) or, as the case may be, any previous Substituted Obligor and (ii) such approvals and consents are at the time of substitution in full force and effect. The Trustee may rely absolutely on such legal opinions without liability to any person and without any obligation to verify or investigate the accuracy thereof;

(c) two Directors (or other officers acceptable to the Trustee) of the Substituted Obligor certify that the Substituted Obligor is solvent at the time at which the substitution is proposed to be in effect and immediately thereafter and the Trustee may rely absolutely on such certification without liability to any person and shall not be bound to have regard to the financial condition, profits or prospects of the Substituted Obligor or to compare the same with those of the Issuer or (as the case may be) the Guarantor or (as the case may be) any previous Substituted Obligor);

(d) (without prejudice to the generality of the foregoing) the Trustee may, in the event of such substitution agree, without the consent of the Noteholders, to a change in the law governing this Trust Deed and/or the Notes if in the opinion of the Trustee such change would not be materially prejudicial to the interests of the Noteholders;

(e) if the Substituted Obligor is, or becomes, subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the territory of the taxing jurisdiction of which (or to any such authority of or in which) the Issuer or (as the case may be) the Guarantor (or any previous Substituted Obligor) is subject generally (the "**Original Territory**"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 10 with the substitution for the references in that Condition and in the term "**Relevant Jurisdiction**" as applied in Condition 9(g) to the Original Territory of references to the Substituted Territory whereupon the Trust Deed and the Notes will be read accordingly;

(f) the Issuer, the Guarantor and the Substituted Obligor comply with such other requirements as the Trustee considers in its absolute discretion to be appropriate; and

(g) in the case of a substitution of the Guarantor pursuant to Clause 16.2.1(iii) only, if the Notes are rated (where such rating was assigned or is then being maintained at the request or with the cooperation of the Issuer or the Guarantor) by one or more credit rating agencies of international standing immediately prior to such substitution, the Notes shall continue to be rated by each such rating agency immediately following such substitution, and the credit ratings assigned to the Notes by each such rating agency immediately following such substitution are to be no less than those assigned to the Notes immediately prior thereto.

16.2.2 **Release of Substituted Issuer or Guarantor**: An agreement by the Trustee pursuant to this Clause 16.2 will, if so expressed, release the Issuer or, where applicable, the Guarantor (or a previous substitute of either of them) from any or all of its obligations under this Trust Deed and the Notes. Notice of the substitution will be given to the Noteholders within 14 days of the execution of such documents and compliance with such requirements.

16.2.3 **Completion of Substitution**: On completion of the formalities set out in this Clause 16.2, the Substituted Obligor will be deemed to be named in this Trust Deed and the Notes as the principal debtor in place of the Issuer (or of any previous substitute) or as the Guarantor (or of any previous substitute) as the case may be and this Trust Deed and the Notes will be deemed to be amended as necessary to give effect to the substitution.

16.2.4 **Transfer of Business of the Issuer**: This Clause 16.2 is without prejudice to, and shall have no effect upon the operation of, Condition 17.

16.3 Redemption: For the avoidance of doubt, Notes may be redeemed only in accordance with the provisions of Condition 9.

17 Appointment, Retirement and Removal of the Trustee

17.1 Appointment: The Issuer has the power of appointing new trustees, but no such new trustee may be so appointed by the Issuer unless previously approved by an Extraordinary Resolution. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will, following approval of such appointment by an Extraordinary Resolution, be notified by the Issuer to the Noteholders as soon as practicable.

17.2 Retirement and Removal: Any Trustee may retire at any time on giving at least three months' written notice to the Issuer and the Guarantor without giving any reason or being responsible for any costs occasioned by such retirement and the Noteholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee in accordance with Clause 17.1. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee but if the Issuer fails to do so before the expiry of such three months' notice period, the Trustee shall have the power (at the expense of the Issuer and subject to Clause 17.1) to appoint a new Trustee.

17.3 Co-Trustees: The Trustee may, despite Clause 17.1, by written notice to the Issuer and the Guarantor appoint anyone to act as an additional Trustee jointly with the Trustee:

17.3.1 if the Trustee considers the appointment to be in the interests of the Noteholders;

17.3.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

17.3.3 to obtain a judgment or to enforce a judgment in any jurisdiction against the Issuer or the Guarantor or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed, the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer, the Guarantor and that person remove that person. At the Trustee's written request, the Issuer and the Guarantor will forthwith do all things as may be required to perfect such appointment or removal and each of them irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

17.4 Competence of a Majority of Trustees: If there are more than two Trustees, the majority of them will be competent to perform the Trustee's functions, provided the majority includes a trust corporation.

17.5 Merger: 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 shall 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 without the execution or filing of any paper or any further act on the part of any of the parties hereto.

18 Currency Indemnity

18.1 Currency of Account and Payment: Sterling (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer or the Guarantor under or in connection with this Trust Deed and the Notes, including damages shall be made in the Contractual Currency.

18.2 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 the Guarantor or otherwise), by the Trustee or any Noteholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor will only discharge the Issuer or the Guarantor 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).

18.3 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 (failing whom, the Guarantor) will indemnify it, on an after tax basis, against any loss sustained by it as a result. In any event, the Issuer (failing whom, the Guarantor) will indemnify the recipient, on an after tax basis, against the cost of making any such purchase.

18.4 Indemnity Separate: The indemnities in this Clause 18 and in Clause 10.4 constitute separate and independent obligations from the other obligations in this Trust Deed, 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.

19 Communications

19.1 Method and Addresses: All communications shall be by e-mail or letter delivered by hand. Each communication shall be made to the relevant party at the e-mail address or address and marked for the attention of the person or department from time to time specified in writing by that party to the others for this purpose. The initial e-mail address, address and person or department so specified by each party are set out below:

in the case of notices to the Issuer or the Guarantor, to it at:

55 Gracechurch Street
London EC3V 0RL
United Kingdom

E-mail: cosec@royallondon.com
Attn.: The Royal London Group Company Secretary

and, in the case of notices to the Trustee, to it at:

HSBC Corporate Trustee Company (UK) Limited
8 Canada Square
London E14 5HQ
United Kingdom

E-mail: ctla.trustee.admin@hsbc.com
Attn.: Issuer Services Trustee Administration

19.2 **Effectiveness**: A communication shall be deemed received (if by letter) when delivered or (if by e-mail) when (A) the relevant receipt of such e-mail being read is given or (B) where no read receipt is requested by the sender or where a read receipt is requested by the sender but is not given by the recipient, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such e-mail. Notwithstanding the preceding sentence, if a communication is received after 5.00 p.m. on a business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective at the opening of business on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error therein.

20 Further Issues

20.1 **Supplemental Trust Deed**: If the Issuer issues further notes as provided in Condition 19, the Issuer and the Guarantor shall, before their issue, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.

20.2 **Meetings of Noteholders**: If the Trustee so directs, Schedule 3 shall apply equally to Noteholders and to holders of any Further Notes issued pursuant to the Conditions as if references in it to "**Notes**" and "**Noteholders**" were also to such Further Notes and their holders respectively.

21 Miscellaneous

21.1 **Certificates**: The Trustee shall be entitled to rely absolutely on any certificate delivered to it pursuant to this Trust Deed without liability to any person and without any obligation to verify or investigate the accuracy thereof.

21.2 **Time**: Time shall be of the essence in this Trust Deed.

21.3 **Counterparts**: This Trust Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Trust Deed by executing a counterpart.

21.4 **Contracts (Rights of Third Parties) Act 1999**: A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed, except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms.

22 Governing Law and Jurisdiction

22.1 **Governing Law**: This Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

22.2 **Jurisdiction**: The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed or the Notes, and any non-contractual obligations arising out of or in connection with them, and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Notes ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause 22.2 is for the benefit of each of the Trustee and the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Schedule 1

Part 1: Form of Global Certificate

THE NOTES REPRESENTED BY THIS GLOBAL CERTIFICATE, THE GUARANTEE IN RESPECT THEREOF AND THE CONVERSION SHARES INTO WHICH THE NOTES MAY CONVERT HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNDER THE SECURITIES ACT EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

ISIN: XS2625140301

Common Code: 262514030

RL FINANCE BONDS NO. 6 PLC
(*incorporated with limited liability in England and Wales*
with registered number 14501996)

£350,000,000[1] 10.125 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes

guaranteed by

THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED
(*incorporated with limited liability by guarantee in England and Wales*
with registered number 99064)

GLOBAL CERTIFICATE

The Notes in respect of which this Global Certificate is issued form part of the series designated as specified in the title (the "**Notes**") of RL Finance Bonds No. 6 plc (the "**Issuer**") guaranteed on a subordinated basis by The Royal London Mutual Insurance Society Limited (the "**Guarantor**").

The Issuer hereby certifies that HSBC Issuer Services Common Depositary Nominee (UK) Limited is, at the date hereof, entered in the register of Noteholders as the holder of Notes in the principal amount of:

£350,000,000

(THREE HUNDRED AND FIFTY MILLION POUNDS STERLING)

or such other amount as is shown on the register of Noteholders as being represented by this Global Certificate and is duly endorsed (for information purposes only) in the third column of the Schedule to this Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Noteholders as holder of the Notes in respect of which this Global Certificate is issued, such amount or amounts as shall become due and payable from time to time in respect of such Notes and otherwise to comply with the Conditions referred to below.

The Notes are constituted by a trust deed dated 25 May 2023 (the "**Trust Deed**") between the Issuer, the Guarantor and HSBC Corporate Trustee Company (UK) Limited as trustee (the "**Trustee**") and are subject to the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule

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[1] Subject to increase upon any issue of Further Notes

2 to the Trust Deed, as modified by the provisions of this Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein. Upon any issue of Further Notes, such Further Notes will be constituted by a supplemental trust deed between the Issuer and the Trustee, which is supplemental to the Trust Deed (a "**Supplemental Trust Deed**"). The Further Notes will be subject to the Trust Deed, as supplemented by such Supplemental Trust Deed, and the terms and conditions set out in the schedule to such Supplemental Trust Deed, as modified by the provisions of this Global Certificate. Terms defined in the Trust Deed , as modified and/or supplemented from time to time have the same meaning when used herein.

Upon the issue of any Further Notes, such Further Notes shall be entered in the register of Noteholders and the principal amount thereof shall be duly endorsed (for information purposes only) in the Schedule to this Global Certificate, and the records of Euroclear, Clearstream, Luxembourg and any other relevant Alternative Clearing System will be updated accordingly.

This Global Certificate is evidence of entitlement only.

Title to the Notes passes only on transfer and due registration of Noteholders and only the duly registered holder is entitled to payments on Notes in respect of which this Global Certificate is issued.

The statements set out in the legend above are an integral part of the Note or Notes in respect of which this Global Certificate is issued and by acceptance hereof each holder or beneficial owner of the Notes evidenced by this Global Certificate or any owner of an interest in such Notes agrees to be subject to and bound by the terms of such legend.

Amendments to Conditions

The Conditions are modified as follows in so far as they apply to the Notes represented by this Global Certificate as issued.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by this Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for its share of each payment made by or on behalf of the Issuer or the Guarantor to (or to the order of) the holder of this Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by this Global Certificate and such obligations of the Issuer or the Guarantor will be discharged by payment to (or to the order of) the holder of this Global Certificate in respect of each amount so paid.

Exchange

Owners of beneficial interests in the Notes in respect of which this Global Certificate is issued will be entitled to have title to the Notes registered in their names and to receive individual Certificates only if each of Euroclear and Clearstream, Luxembourg (and, if applicable, any Alternative Clearing System) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, and no successor or Alternative Clearing System satisfactory to the Issuer is available.

In such circumstances, the Issuer will cause sufficient Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholders within 14 days following a request therefor by the holder of this Global Certificate. A person with an interest in the Notes represented by this Global Certificate must provide the Registrar with (A) a written order containing instructions and other such information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates; and (B) a certificate to the effect that such person is not transferring its interest in this Global Certificate.

Transfer

Notes represented by the Global Certificate will be transferable only in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (as the case may be).

Cancellation

Cancellation of any Note following its redemption, substitution for Qualifying Securities or Rating Agency Compliant Securities, Automatic Conversion or purchase by the Issuer, the Guarantor or any of the subsidiaries of the Issuer or the Guarantor will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and will be duly endorsed (for information purposes only) in the third column of the Schedule to this Global Certificate.

Payments

Payments of principal and interest in respect of the Notes represented by this Global Certificate will be made to (or to the order of) the registered holder of this Global Certificate. Upon payment of any principal or interest, the amount so paid shall be endorsed by or on behalf of the Registrar on behalf of the Issuer and the Guarantor on the schedule to the Global Certificate.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent required by the Registrar, to the cash accounts of participants in Euroclear, Clearstream, Luxembourg or any Alternative Clearing System in accordance with the relevant clearing system's rules and procedures.

All payments in respect of the Notes whilst they are represented by this Global Certificate will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday (inclusive) except 25 December and 1 January.

Meetings

The holder of this Global Certificate shall be treated as being two persons and as having one vote in respect of each £1,000 principal amount of Notes represented by this Global Certificate. The Trustee may allow to attend and speak (but not to vote unless such person is a proxy or a representative) at any meeting of Noteholders any accountholder (or the representative of any such person) of a clearing system with an interest in the Notes represented by this Global Certificate on confirmation of entitlement and proof of their identity.

Notices

So long as all of the Notes are represented by this Global Certificate and it is held by or on behalf of one or more clearing systems, notices to Noteholders will be given by delivery of the relevant notice to each relevant clearing system for communication by it to entitled accountholders in substitution for notification as required by the Conditions. A notice will be deemed to have been given to accountholders on the first Business Day following the day on which such notice is sent to each of the relevant clearing system for delivery to entitled accountholders.

Whilst any of the Notes are represented by this Global Certificate, notices to be given by a Noteholder will be given by such Noteholder (where applicable) through Euroclear, Clearstream, Luxembourg or any Alternative Clearing System and otherwise in such manner as the Trustee and the relevant clearing system may approve for this purpose.

Trustee's Powers

In considering the interests of Noteholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (A) have regard to such information as may have been made available to it by or on behalf of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Notes and (B) consider such interests on the basis that such accountholders were the holders of the Notes represented by this Global Certificate.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Notes represented by this Global Certificate shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Notes set out in the certificate of the holder as if they were themselves the holders of Notes in such principal amounts.

Electronic Consent and Written Resolution

While any Global Certificate is registered in the name of any nominee for Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, then:

1. approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (an "**Electronic Consent**") shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting which is a special quorum resolution), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent. The Principal Paying Agent shall confirm the result of voting on any Electronic Consent in writing to the Issuer, the Guarantor and the Trustee (in a form satisfactory to the Trustee) (which confirmation may be given by e-mail), specifying (as of the deadline for the Electronic Consent): (A) the outstanding principal amount of the Notes and (B) the outstanding principal amount of the Notes in respect of which consent to the resolution has been given in accordance with this provision. The Issuer, the Guarantor and the Trustee may rely and act without further enquiry on any such confirmation from the Principal Paying Agent and shall have no liability or responsibility to anyone as a result of such reliance or action. The Trustee shall not be bound to act on any Electronic Consent in the absence of such a confirmation from the Principal Paying Agent in a form satisfactory to it; and

2. where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, (A) by accountholders in the clearing system with entitlements to such Global Certificate and/or, (B) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (A) above, Euroclear, Clearstream, Luxembourg or any other relevant Alternative Clearing System (the "**relevant clearing system**") and, in the case of (B) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (B) above. Any resolution 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 EasyWay or Clearstream, Luxembourg's Xact Web Portal) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantor or 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.

This Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

This Global Certificate, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Issued as of _______________ 2023

In witness whereof the Issuer has caused this Global Certificate to be signed on its behalf.

RL FINANCE BONDS NO. 6 PLC

By:

In witness whereof the Guarantor has caused this Global Certificate to be signed on its behalf.

Dated _______________ 2023

THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED

By:

Certificate of Authentication

This Global Certificate is authenticated by or on behalf of the Registrar.

HSBC BANK PLC

By:

Authorised Signatory

For the purposes of authentication only.

Schedule
Showing Changes in the Principal Amount of the Notes Represented by this Global Certificate

The following shows the principal amount of the Notes represented by this Global Certificate as a result of redemption, conversion, substitution or purchase and cancellation of Notes or issue of Further Notes:

Date of Redemption/ Purchase and cancellation/Conversion/Substitution (stating which) / Issuance of Further Notes	Amount of change in principal amount of Notes represented by this Global Certificate	Principal amount of Notes represented by this Global Certificate following such change and/or issuance of Further Notes	Notation made by or on behalf of the Principal Paying Agent or Registrar

Part 2: Form of Definitive Certificate

On the front:

THE NOTES REPRESENTED BY THIS CERTIFICATE, THE GUARANTEE IN RESPECT THEREOF AND THE CONVERSION SHARES INTO WHICH THE NOTES MAY CONVERT HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNDER THE SECURITIES ACT EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

RL FINANCE BONDS NO. 6 PLC
(*incorporated with limited liability in England and Wales*
with registered number 14501996)

£350,000,000 10.125 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes

guaranteed by

THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED
(*incorporated with limited liability by guarantee in England and Wales*
with registered number 99064)

CERTIFICATE

Certificate No. [•]

The Notes in respect of which this Certificate is issued form part of the series designated as specified in the title (the "**Notes**") of RL Finance Bonds No. 6 plc (the "**Issuer**") guaranteed on a subordinated basis by The Royal London Mutual Insurance Society Limited (the "**Guarantor**").

The Issuer hereby certifies that [•] of [•] (the "**Registered Holder**") is, at the date hereof, entered in the register of Noteholders as the holder of Notes in the principal amount of:

£[•]

([AMOUNT IN WORDS] POUNDS STERLING)

The Notes are subject to the Terms and Conditions (the "**Conditions**") endorsed hereon and are issued subject to, and with the benefit of, the Trust Deed referred to in the Conditions. Terms defined in the Trust Deed have the same meaning when used herein.

For value received, the Issuer (failing whom the Guarantor) promises to pay the person who appears at the relevant time on the register of Noteholders as holder of the Notes in respect of which this Certificate is issued such amount or amounts as shall become due and payable from time to time in respect of such Notes and otherwise to comply with the Conditions.

The statements set forth in the legend above are an integral part of the Note or Notes in respect of which this Certificate is issued and by acceptance thereof each holder agrees to be subject to and bound by the terms and provisions set forth in such legend.

This Certificate is evidence of entitlement only.

For the purposes of this Certificate, (A) the holder of the Notes represented by this Certificate is bound by the provisions of the Trust Deed; (B) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Notes represented by this Certificate; (C) title to the Notes represented by this Certificate passes only on transfer and due registration on the Register; and (D) only the holder of the Notes entered in the Register is entitled to payments in respect of the Notes.

This Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

This Certificate, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Issued as of [●]

In witness whereof the Issuer has caused this Certificate to be signed on its behalf.

RL FINANCE BONDS NO. 6 PLC

By:

In witness whereof the Guarantor has caused this Certificate to be signed on its behalf.

Dated [•]

THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED

By:

Certificate of Authentication

This Certificate is authenticated by or on behalf of the Registrar

HSBC BANK PLC

By:

Authorised Signatory

For the purposes of authentication only

On the back:

Terms and Conditions of the Notes

[The Terms and Conditions that are set out in Schedule 2 to the Trust Deed will be set out here.]

Form of Transfer

FOR VALUE RECEIVED the undersigned transfers to

____

____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

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

Dated ....

Signed .... Certifying Signature

Notes:

1. The signature of the person effecting a transfer shall conform to a list of duly authorised specimen signatures supplied by the holder of the Notes represented by this Certificate or (if such signature corresponds with the name as it appears on the face of this Certificate) be certified by a notary public or a recognised bank or be supported by such other evidence as a Transfer Agent or the Registrar may reasonably require.

2. A representative of the Noteholder should state the capacity in which he signs e.g. executor.

PRINCIPAL PAYING AGENT

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

REGISTRAR AND TRANSFER AGENT

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Schedule 2
Terms and Conditions of the Notes

The issue of the £350,000,000 10.125 per cent. Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any Further Notes issued pursuant to Condition 19) was (save in respect of any such Further Notes) authorised by a resolution of the board of directors of RL Finance Bonds No. 6 plc (the "**Issuer**") passed on 12 May 2023. The subordinated guarantee of the Notes was authorised by a resolution of the board of directors of The Royal London Mutual Insurance Society Limited (the "**Guarantor**") passed on 3 November 2022 and a resolution of a committee of the board of directors of the Guarantor passed on 26 April 2023. The Notes are constituted by a trust deed (the "**Trust Deed**") dated 25 May 2023 between the Issuer, the Guarantor and HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**", which expression shall include all persons for the time being and from time to time appointed as the trustee or trustees under the Trust Deed) as trustee in respect of the Notes. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed and of the agency agreement (the "**Agency Agreement**") dated 25 May 2023 relating to the Notes between the Issuer, the Guarantor, the Trustee and HSBC Bank plc as registrar (the "**Registrar**", which expression shall include any successor thereto), as transfer agent (the "**Transfer Agent**", which expression shall include any successor thereto and any additional transfer agents appointed thereunder) and as initial principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor thereto, and, together with any further paying agents appointed thereunder, the "**Paying Agents**", which expression shall include any successors thereto) (i) are available for inspection by Noteholders during usual business hours at the principal office of the Trustee (presently at 8 Canada Square, London E14 5HQ, United Kingdom) and at the specified offices of the Principal Paying Agent, the Registrar and any Transfer Agent or (ii) may be provided by email to a Noteholder following its prior written request to any Paying Agent, in each case upon provision of proof of holding of Notes and identity (in a form satisfactory to the relevant Paying Agent). The Noteholders 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 applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are issued in registered form in principal amounts of £200,000 and integral multiples of £1,000 in excess thereof (referred to as the "**principal amount**" of a Note, and references in these Conditions to "**principal**" in relation to a Note shall be construed accordingly) without coupons attached. A certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer (failing which, the Guarantor) will procure to be kept by the Registrar (the "**Register**") on which shall be entered the names, addresses and account details of Noteholders and the particulars of the Notes held by them and of all transfers and repayments of Notes.

(b) Title

Title to the Notes passes only by transfer and registration in the Register. The holder of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**" and (in relation to a Note) "**holder**" means the person against whose name a Note is registered in the Register (or, in the case of joint holders, the first named thereof). Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

2 Transfers of Notes and Issue of Certificates

(a) *Transfers*

Subject to Conditions 2(*d*) and 2(*e*), each Note may be transferred (in whole or in part, subject to such transfer and any remainder being in a minimum amount of £200,000) by depositing the Certificate issued in respect of that Note, together with the form of transfer in respect thereof duly completed, executed and (where applicable) stamped, at the specified office of the Registrar or a Transfer Agent.

No transfer of a Note will be valid unless and until entered on the Register. A Note may be registered only in the name of, and transferred only to, a named person (or persons not exceeding four in number) or a nominee.

(b) *Delivery of new Certificates*

Each new Certificate to be issued upon a transfer of Notes will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the duly completed, executed and (where applicable) stamped form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note (but free of charge to the Noteholder) to the address specified in the form of transfer. The form of transfer shall be available at the specified offices of the Transfer Agents.

Except in the limited circumstances described in these Admission Particulars (see "Summary of Provisions relating to the Notes whilst in Global Form — Exchange"), owners of book-entry interests in the Notes will not be entitled to receive physical delivery of Certificates.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the balance of Notes not so transferred will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred (but free of charge to the Noteholder) to the address of such holder appearing on the Register or as specified in the form of transfer.

(c) *Formalities free of charge*

Registration of transfer of any Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but upon (i) payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer and (ii) the Registrar or relevant Transfer Agent being satisfied with the documents of title and/or the identity of the person making the application.

(d) *Closed periods*

No Noteholder may require the transfer of a Note (or part thereof) to be registered during the period of 15 days ending on the scheduled date for any payment of principal or interest.

(e) *Regulations*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer and the Guarantor with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one and will be available at the specified offices of the Transfer Agents.

3 Status of the Notes, etc.

(a) Status

The Notes constitute direct and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in any Issuer Winding-Up are as described in the Trust Deed and this Condition 3.

(b) Issuer Winding-Up

(i) Issuer Winding-Up and Guarantor Winding-Up occurring prior to a Trigger Event

If, at any time prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and (where permitted to do so pursuant to Condition 12(d)) the Noteholders may claim or prove in such Issuer Winding-Up for an amount equal to the outstanding principal amount of such Notes together with any accrued but unpaid interest thereon (to the extent not previously cancelled in accordance with these Conditions) and any damages awarded for breach of any obligations under the Notes and the Trust Deed, and the rights and claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed which shall not be subordinated) and the Noteholders against the Issuer in respect of such amounts will be subordinated in the manner provided in the Trust Deed to the claims of all Issuer Senior Creditors. If and to the extent that the amount that the Trustee or the Noteholders could recover in such Issuer Winding-Up (including any damages awarded for breach of any obligations under the Notes and the Trust Deed) would exceed the amount per Note that would have been paid in respect of such Note in such Guarantor Winding-Up (had the Note been a subordinated obligation of the Guarantor for an amount equal to the relevant Guaranteed Amounts and ranking *pari passu* with the Guarantee), then the Trustee and the Noteholders shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such excess amounts and the right thereto to the Guarantor.

(ii) Issuer Winding-Up and no Guarantor Winding-Up occurring prior to a Trigger Event

If, at any time prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring, the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders (in each case in relation to any amount which they are entitled to receive in such Issuer Winding-Up in respect of, or arising under, the Notes and the Trust Deed (including any damages awarded for breach of any obligations thereunder)) shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such amounts and the right thereto to the Guarantor as consideration for the Guarantor's agreement to assume, or procure the assumption by a Subsidiary of the Guarantor of, the obligations of the Issuer (including the obligation to pay such aforementioned damages, if any) pursuant to, and in accordance with, Condition 4(*d*) and shall be deemed irrevocably to have authorised and directed the Issuer (or its liquidator or administrator, as appropriate) to make the payment of any such amounts directly to the Guarantor. In such event, the rights of Noteholders upon any subsequent Automatic Conversion of the Notes shall be as set out in Condition 7(*d*).

This Condition 3(*b*)(ii) is without prejudice to any claim which the Trustee and the Noteholders may have, in such circumstances, against the Guarantor under Condition 4 or against any Substituted Obligor substituted for the Issuer pursuant to Condition 4(*d*) or 15.

If, at any time prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not occurred or is not occurring, the Guarantor shall assume, or procure the assumption of, the obligations of the Issuer under the Notes and the Trust Deed.

(iii) Issuer Winding-Up occurring on or after a Trigger Event

If (whether or not a Guarantor Winding-Up also occurs at or after such time) an Issuer Winding-Up occurs concurrently with or after the occurrence of a Trigger Event (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(*a*), in which case the provisions of Condition 3(*b*)(i) or Condition 3(*b*)(ii) above, as applicable, shall continue to apply as if such Trigger Event had not occurred), and where the Conversion Shares have not yet been delivered to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7), there shall be payable by the Issuer in respect of each Note (in lieu of any other payment or any issue or delivery of Conversion Shares by the Issuer), such amount, if any, as would have been payable to the Noteholder if, on the day prior to the commencement of the Issuer Winding-Up and thereafter, such Noteholder were the holder of such number of Conversion Shares as that Noteholder would have been entitled to receive pursuant to an Automatic Conversion in accordance with Condition 7(*a*), whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that shareholders of the Issuer were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

In such circumstances, Noteholders shall be entitled to claim solely against the Issuer, and shall have no claim against the Guarantor in respect of Guaranteed Amounts or any other amounts whatsoever under or in connection with the Notes or the Trust Deed.

(iv) No double recovery

If, in the circumstances contemplated in this Condition 3(b), any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under the Trust Deed) and/or the Noteholders in respect of, or arising under, the Notes and/or the Trust Deed by the liquidator or the administrator (as applicable) of the Issuer, such amount shall, in addition to the assignments set out in Conditions 3(*b*)(i) and (ii), reduce *pro tanto* the amounts payable by the Guarantor under the Guarantee and/or, as appropriate, any Substituted Obligor substituted for the Issuer pursuant to Condition 4(*d*) or 15 (save to the extent such amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Issuer or its liquidator or, as appropriate, administrator in accordance with Condition 3(*d*)).

If, in the circumstances contemplated in this Condition 3(*b*), any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under the Trust Deed) and/or the Noteholders in respect of, or arising under, the Guarantee by the liquidator or the administrator (as applicable) of the Guarantor, such amount shall, in addition to the assignments set out in Conditions 3(*b*)(i) and (ii), reduce *pro tanto* the amounts payable by the Issuer under the Notes and the Trust Deed (save to the extent such amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Guarantor or its liquidator or, as appropriate, administrator in accordance with Condition 3(*d*)).

(v) *Payments to Trustee in personal capacity*

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

(c) Solvency Condition

Other than (A) in circumstances where a Guarantor Winding-Up has occurred or is occurring or (B) in respect of a claim against the Issuer pursuant to Condition 3(*b*)(iii) (but subject, in each case, to Condition 3(*b*)(v)):

(i) all payments by the Issuer under or arising from (including any damages awarded for breach of any obligations under) the Notes or the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer, and no amount shall be due or payable by the Issuer under or arising from the Notes or the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter; and

(ii) all payments by the Guarantor under or arising from (including any damages awarded for breach of any obligations under) the Notes or the Trust Deed shall be conditional upon the Guarantor being solvent at the time for payment by the Guarantor and no amount shall be due or payable by the Guarantor under or arising from the Notes or the Trust Deed (including, without limitation, the Guarantee) unless and until such time as the Guarantor could make such payment and still be solvent immediately thereafter,

the "**Solvency Condition**".

For the purposes of this Condition 3(*c*), the Issuer will be "**solvent**" if it is able to pay its debts owed to Issuer Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities, and the Guarantor will be "**solvent**" if (i) it is able to pay its debts owed to Senior Creditors and Parity Creditors as they fall due and (ii) its Assets exceed its Liabilities.

Any payment of interest that would have been due and payable but for the Solvency Condition not being satisfied shall be cancelled.

A certificate as to the solvency or lack thereof of the Issuer or the Guarantor signed by two Directors of the Issuer or the Guarantor or, if there is a winding-up or administration of the Issuer or the Guarantor, the liquidator or, as the case may be, the administrator of the Issuer or the Guarantor shall (in the absence of manifest error) be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(d) Set-off, etc.

By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived and to have directed and authorised the Trustee on its behalf to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer or the Guarantor in respect of or arising under the Notes or the Trust Deed (including the Guarantee) whether prior to or in liquidation, winding-up or administration. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under the Notes or the Trust Deed (including the Guarantee) are discharged by set-off, such Noteholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, as appropriate, the Guarantor or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer or, as appropriate, the Guarantor and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, as appropriate, the Guarantor or, if applicable, the liquidator, trustee, receiver or administrator in the relevant liquidation, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

4 Guarantee

(a) Status

The Guarantor has (subject as provided in Conditions 3(*c*)(ii), 4(*b*), 6(*a*), 6(*b*), 7, 8(*b*) and 8(*d*)) in the Trust Deed irrevocably guaranteed on the terms set out therein the due and punctual payment of all principal, interest and other sums from time to time which are due and payable by the Issuer in respect of the Notes or under, or pursuant to, the Trust Deed ("**Guaranteed Amounts**"). The obligations of the Guarantor under such guarantee (including those referred to in Condition 4(*d*)) (the "**Guarantee**") constitute direct, unsecured and subordinated obligations of the Guarantor. For the purpose only of determining whether any Guaranteed Amount is from time to time due and payable by the Issuer for the purposes of the obligations of the Guarantor under the Guarantee, the relevant principal, interest or other sum shall be deemed to be due and payable by the Issuer on the date on which such amount is expressed to be due and payable in accordance with these Conditions regardless of whether the requirements of Condition 3(*c*)(i) are satisfied on such date.

(b) Subordination: Guarantor Winding-Up occurring prior to a Trigger Event

If, at any time prior to the occurrence of a Trigger Event:

(i) an order is made, or an effective resolution is passed, for the winding-up of the Guarantor (except, in any such case, (a) a winding-up following the transfer of all its liabilities and obligations as principal obligor under the Guarantee to a transferee in connection with a transfer of its business pursuant to Condition 17 or (b) a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Guarantor of a successor in business (as defined in Condition 22) of the Guarantor, the terms of which reconstruction, amalgamation or substitution (A) have previously been approved in writing by the Trustee or by an Extraordinary Resolution and (B) do not provide that the Notes or any amount in respect thereof (including under the Guarantee) shall thereby become payable); or

(ii) an administrator of the Guarantor is appointed and such administrator gives notice that it intends to declare and distribute a dividend or other distribution of the assets of the Guarantor,

(the events in Conditions 4(*b*)(i) and 4(*b*)(ii) each being a "**Guarantor Winding-Up**"), the rights and claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed which shall not be subordinated) and the Noteholders against the Guarantor in relation to Guaranteed Amounts (including, without limitation, any damages awarded for breach of any obligations under the Notes and the Trust Deed) will be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors, but shall rank:

(A) at least *pari passu* with all claims in respect of (i) all other subordinated obligations of the Guarantor which constitute, and all claims relating to a guarantee of, or other like or similar undertaking or arrangement given or undertaken by the Guarantor 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 1 Capital and (ii) all obligations which rank, or are expressed to rank, *pari passu* therewith (together, "**Parity Obligations**"); and

(B) in priority to the claims of members of the Guarantor (under any applicable legislation relating to the winding-up of companies limited by guarantee and/or of insurers) in their capacity as members of the Guarantor (together, the "**Junior Obligations**").

In a Guarantor Winding-Up which occurs at any time prior to the occurrence of a Trigger Event, the amount payable in respect of Guaranteed Amounts (in lieu of any other payment by the Issuer or the Guarantor) shall be an amount equal to the outstanding principal amount of such Notes together with any accrued but unpaid interest thereon (to the extent not previously cancelled in accordance with these Conditions) to the date of payment of such amounts and any damages awarded for breach of any obligations under the Notes and the Trust Deed, and the claims for such amounts will be subordinated in the manner described above.

The Guarantor is a company limited by guarantee. Upon the liquidation, winding-up or administration of the Guarantor the liability of each of its members is limited to a contribution of one penny per member.

(c) Guarantor Winding-Up occurring on or after a Trigger Event

If a Guarantor Winding-Up occurs concurrently with or after the occurrence of a Trigger Event (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(*a*), in which case the provisions of Condition 4(*b*) shall continue to apply as if such Trigger Event had not occurred) and where the Conversion Shares have not yet been delivered to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7), the only rights of the Noteholders (and of the Trustee on their behalf) shall be to claim to have such Conversion Shares delivered to them (or, if an Issuer Winding-Up also occurs prior to delivery of the Conversion Shares, to claim against the Issuer as provided above under Condition 3(*b*)(iii)) and the Noteholders (and the Trustee on their behalf) shall not have any other rights in respect of their Notes, the Trust Deed or any Guaranteed Amounts.

(d) Obligations of the Guarantor upon an Issuer Winding-Up occurring prior to a Trigger Event where no Guarantor Winding-Up has occurred or is occurring

If an Issuer Winding-Up occurs at any time prior to the occurrence of a Trigger Event, when a Guarantor Winding-Up has not also occurred or is not also occurring, the Guarantor shall (as more particularly described in the Trust Deed) assume, or shall procure the assumption by a Subsidiary of the Guarantor of, all of the obligations of the Issuer under the Notes and the Trust Deed (including any damages awarded against the Issuer for breach of any of its obligations thereunder) as if references in the Notes and the Trust Deed to “the Issuer” were to the Guarantor or the relevant Subsidiary (as the case may be) but provided that the claims of the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders against the Guarantor in respect of all payment obligations under the Notes and the Trust Deed shall rank *pari passu* with the Guarantee.

Accordingly, once the Guarantor has assumed, or has procured the assumption by its Subsidiary of, such obligations of the Issuer under the Notes and the Trust Deed, the Guarantor or such Subsidiary (as the case may be) shall have all of the rights and benefits applicable to the Issuer in these Conditions and the Trust Deed including, without limitation, the Issuer’s ability to redeem, vary or substitute the Notes in the circumstances set out in Conditions 9(*f*), 9(*g*), 9(*h*), 9(*i*), 9(*j*) and 9(*k*).

5 Interest

(a) Interest Rate

Subject to Conditions 3(*c*), 6 and 7, the Notes bear interest on their outstanding principal amount at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 5.

Subject to Conditions 3(*c*), 6 and 7, interest shall be payable on the Notes semi-annually in arrear on each Interest Payment Date in equal instalments, and the amount of interest payable (subject as aforesaid) on each Interest Payment Date up to (and including) the First Reset Date shall be £50.625 per Calculation Amount, if paid in full.

Where it is necessary to compute an amount of interest payable in respect of any Note for a period that is less than or greater than an Interest Period, such interest shall be calculated on the basis of (i) the actual number of days in the period from (and including) the date from which such interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which the relevant payment of interest falls due (any such period, an "**Accrual Period**"), divided by (ii) two times the actual number of days in the period from (and including) the Accrual Date to (but excluding) the next scheduled Interest Payment Date.

(b) *Interest Accrual*

Subject to Conditions 3(*c*), 6 and 7, the Notes will accrue interest in respect of each Interest Period and cease to bear interest from (and including) the due date for redemption or substitution thereof pursuant to Condition 9, unless, upon surrender of the Certificate representing any Note, payment of all amounts due in respect of such Note is not properly and duly made, in which event interest shall continue to accrue at the applicable Interest Rate on the outstanding principal amount of such Note, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Interest in respect of any Note shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall, save as provided in Condition 5(*a*) in relation to equal instalments and subject to Conditions 3(*c*), 6 and 7, be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 5(*a*) for the relevant period, rounding the resultant figure to the nearest penny (half a penny being rounded upwards). Where the denomination of a Note is more than the Calculation Amount, the amount of interest payable in respect of each such Note is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Note.

(c) *Interest Rates*

Each Note bears interest on its outstanding principal amount at the rate of 10.125 per cent. per annum (the "**Initial Interest Rate**") from (and including) the Issue Date to (but excluding) the First Reset Date.

In respect of each Interest Period which commences on or after the First Reset Date, each Note shall bear interest on its outstanding principal amount at the applicable Reset Rate.

(d) *Determination of Reset Rate*

The Interest Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on the date falling two Business Days prior to each Reset Date, determine the Reset Rate applicable to the Reset Period commencing on such Reset Date and shall promptly notify the Issuer and the Guarantor thereof.

(e) *Publication of Reset Rates*

Once the Issuer and the Guarantor have been notified of the Reset Rate by the Interest Calculation Agent in accordance with Condition 5(*d*), the Issuer (failing which, the Guarantor) shall cause notice of the applicable Reset Rate, and the amount of interest which will (subject to Conditions 3(*c*), 6 and 7) be payable per Calculation Amount on each Interest Payment Date in respect of which the relevant Reset Rate applies, determined in accordance with this Condition 5, to be given to the Trustee, the Paying Agents, the Noteholders in accordance with Condition 14 and in accordance with the rules and regulations of any stock exchange on which the Notes are (at the request of the Issuer or the Guarantor) for the time being listed or admitted to trading, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

(f) *Interest Calculation Agent*

With effect from the date falling two Business Days prior to the First Reset Date, and for so long as any Notes remain outstanding thereafter, the Issuer shall maintain an Interest Calculation Agent.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Interest Calculation Agent with another financial institution in London or an independent adviser of recognised standing and appropriate expertise. If the Interest Calculation Agent is unable or unwilling to continue to act as the Interest Calculation Agent or fails duly to determine any Reset Rate as provided in Condition 5(*d*), the Issuer and the Guarantor shall forthwith appoint another financial institution in London or an independent adviser of recognised standing and appropriate expertise, in either case approved in writing by the Trustee to act as such and make the relevant determination in its place.

(g) *Determinations of Interest Calculation Agent binding*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Interest Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Interest Calculation Agent, the Principal Paying Agent, the Trustee, the Paying Agents and all Noteholders and no liability to the Noteholders, the Issuer or the Guarantor shall attach to the Interest Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

6 Cancellation of Interest

(a) *Interest Payments Discretionary*

Interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer, and Guaranteed Amounts in respect thereof will be due and payable only at the sole and absolute discretion of the Guarantor. Payments of interest on the Notes and of Guaranteed Amounts in respect thereof are, in all cases, subject to the provisions of Conditions 3(*c*), 6(*b*) and 7. Accordingly, the Issuer may at any time, subject to Conditions 3(*c*), 6(*b*) and 7, elect to cancel any Interest Payment (or any part thereof) which would otherwise be due and payable on any Interest Payment Date, and the Issuer shall not have any obligation to make such Interest Payment. The Guarantor may at any time, subject to Conditions 3(*c*), 6(*b*) and 7, elect to cancel any Guaranteed Amount in respect of any Interest Payment (or part thereof) which would otherwise be due and payable on any Interest Payment Date, and the Guarantor shall not have any obligation to pay such Guaranteed Amount.

If the Issuer does not make an Interest Payment (or any part thereof) and the Guarantor does not pay the Guaranteed Amount in respect thereof (or any part thereof) on the relevant Interest Payment Date, such non-payment shall be sufficient evidence of the non-payment and cancellation of such Interest Payment (and Guaranteed Amount in respect thereof) (or relevant part thereof) by reason of it not being due in accordance with Condition 3(*c*), the cancellation of such Interest Payment in accordance with Condition 6(*b*), the cancellation of interest upon an Automatic Conversion in accordance with Condition 7 or, as appropriate, the Issuer's or the Guarantor's exercise of its discretion otherwise to cancel such Interest Payment (or the Guaranteed Amount in respect thereof) (or relevant part thereof) in accordance with this Condition 6(*a*), and accordingly such Interest Payment (and Guaranteed Amount in respect thereof) (or relevant part thereof) shall not in any such case be due and payable.

(b) *Mandatory Cancellation of Interest*

To the extent required by the Relevant Rules from time to time and save as otherwise permitted pursuant to Condition 6(*c*), the Issuer shall cancel in full any Interest Payment (and the Guarantor shall cancel the Guaranteed Amount in respect thereof), and the Issuer shall have no obligation to make such Interest Payment (and the Guarantor shall have no obligation to pay Guaranteed Amounts in respect thereof), if:

(i) the Solvency Condition is not met at the time for payment of such Interest Payment, or would (if the Guarantor were to make payment thereof) cease to be met immediately following, and as a result of making, such Interest Payment (or paying Guaranteed Amounts in respect thereof) (having regard also to any Additional Amounts payable with respect thereto);

(ii) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would, if either the Issuer or the Guarantor were to make payment thereof, occur immediately following, and as a result of making, such Interest Payment (or paying Guaranteed Amounts in respect thereof) (having regard also to any Additional Amounts payable with respect thereto);

(iii) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would, if either the Issuer or the Guarantor were to make payment thereof, occur immediately following, and as a result of making, such Interest Payment (or paying Guaranteed Amounts in respect thereof) (having regard also to any Additional Amounts payable with respect thereto);

(iv) the amount of such Interest Payment (or Guaranteed Amounts in respect thereof), together with any Additional Amounts payable with respect thereto, when aggregated together with any interest payments or distributions which have been paid or made or which are scheduled simultaneously to be paid or made on all Tier 1 Own Funds (excluding any such payments which do not (and, if made by the Guarantor, would not) reduce the Guarantor's Available Funds and any payments already accounted for by way of deduction in determining the Guarantor's Available Funds) since the end of the latest financial year of the Guarantor and prior to, or on, such Interest Payment Date, would exceed the amount of the Guarantor's Available Funds as at the Interest Payment Date in respect of such Interest Payment; or

(v) the Issuer or the Guarantor is otherwise required by the PRA or under the Relevant Rules to cancel (or procure the cancellation of) the relevant Interest Payment (or Guaranteed Amounts in respect thereof),

each of the events or circumstances described in sub-paragraphs (i) to (v) (inclusive) above being a "**Mandatory Interest Cancellation Event**".

A certificate signed by two Directors of the Issuer or the Guarantor confirming that (i) a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if payment of interest (or Guaranteed Amounts in respect thereof) on the Notes were to be made or (ii) a Mandatory Interest Cancellation Event has ceased to occur and/or payment of interest (or Guaranteed Amounts in respect thereof) on the Notes would not result in a new or further Mandatory Interest Cancellation Event occurring, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(c) Waiver of Cancellation of Interest Payments by the PRA

Notwithstanding Condition 6(*b*), the Issuer shall not be required to cancel an Interest Payment (and the Guarantor shall not be required to cancel any Guaranteed Amounts in respect thereof) where a Mandatory Interest Cancellation Event solely as a result of the circumstances described in Condition

6(*b*)(ii) has occurred and is continuing, or would occur if payment of interest on the Notes (or any Guaranteed Amounts in respect thereof) were to be made, to the extent permitted by the Relevant Rules, where:

(i) the PRA has exceptionally waived the cancellation of the Interest Payment (and/or Guaranteed Amounts in respect thereof);

(ii) payment of the Interest Payment by the Issuer or payment of Guaranteed Amounts in respect thereof by the Guarantor would not further weaken the solvency position of the Guarantor or the Insurance Group; and

(iii) the Minimum Capital Requirement will be complied with immediately following such Interest Payment (or Guaranteed Amounts in respect thereof), if made.

A certificate signed by two Directors of the Issuer or the Guarantor confirming that the conditions set out in this Condition 6(*c*) are met, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(d) *Effect of Cancellation of Interest Payments*

Any Interest Payment (or Guaranteed Amounts in respect thereof) (or relevant part thereof) which is cancelled in accordance with this Condition 6 or which is otherwise not due and payable in accordance with Condition 3(*c*) or which is cancelled in accordance with Condition 7 shall not become due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights in respect thereof (whether in an Issuer Winding-Up, a Guarantor Winding-Up or otherwise) and any such cancellation or non-payment shall not constitute a default or event of default on the part of the Issuer or the Guarantor for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action or any other action under the Notes or the Trust Deed (including the Guarantee).

(e) *Notice of Cancellation of Interest*

If practicable, the Issuer (failing which, the Guarantor) shall provide notice of any cancellation of any Interest Payment (or Guaranteed Amounts in respect thereof) (or any part thereof) pursuant to Condition 6(*a*) or 6(*b*) to Noteholders in accordance with Condition 14, and to the Trustee in a certificate signed by two Directors of the Issuer or the Guarantor, and the Principal Paying Agent and the Registrar in writing, at least five Business Days prior to the relevant Interest Payment Date (or, if the determination that such Interest Payment (or Guaranteed Amounts in respect thereof) (or any part thereof) is to be cancelled is made after such fifth Business Day, as soon as is practicable following the making of such determination). However, any failure to provide such notice will not invalidate the cancellation of the relevant Interest Payment (or Guaranteed Amounts in respect thereof) nor constitute a default or an event of default on the part of the Issuer or the Guarantor for any purpose.

(f) *Interest cancellation where no redemption for a Capital Disqualification Event*

If a Capital Disqualification Event has occurred and is continuing in respect of the Notes and the Notes are fully excluded from the Own Fund Items of both the Guarantor and the Insurance Group but the Issuer has not exercised its option to redeem the Notes pursuant to Condition 9(*h*), to the extent permitted under the Relevant Rules, the Issuer shall not exercise its discretion as set out in Condition 6(*a*) to cancel any Interest Payment (and the Guarantor shall not exercise its discretion as set out in Condition 6(*a*) to cancel any Guaranteed Amount in respect thereof) due on the Notes on any Interest Payment Date following the occurrence of the Capital Disqualification Event.

This Condition 6(*f*) is without prejudice to the remainder of these Conditions and the Trust Deed, including (without limitation) the continuing application of Conditions 3(*c*), 6(*b*) and 7. Accordingly, the Notes are intended to continue to have the characteristics of Tier 1 Capital under the Relevant Rules (other than as set out in this Condition 6(*f*)) notwithstanding the occurrence of the relevant Capital Disqualification Event and the operation of this Condition 6(*f*).

7 Automatic Conversion

(a) Automatic Conversion upon Trigger Event occurring

The Notes are not convertible into Conversion Shares at the option of the Noteholders or the Trustee at any time.

If a Trigger Event has occurred, the Issuer (failing which, the Guarantor) shall:

(i) immediately inform the PRA of the occurrence of the Trigger Event; and

(ii) (unless the PRA has waived Automatic Conversion in exceptional circumstances, as provided below) without delay, give the Trigger Event Notice which notice shall be irrevocable.

Unless the PRA has waived Automatic Conversion as aforesaid, immediately following the determination that a Trigger Event has occurred, an Automatic Conversion shall (subject as otherwise provided in Condition 7(d), if applicable) occur and the Issuer shall deliver the Conversion Shares to the Conversion Shares Depositary (or such other relevant recipient as described below) on the Conversion Shares Delivery Date.

Following such Automatic Conversion there shall be no reinstatement of any part of the principal amount of, or interest on, the Notes at any time, including where the Trigger Event ceases to occur.

The Issuer’s obligation to repay the principal amount outstanding of each Note and all obligations of the Guarantor to pay Guaranteed Amounts pursuant to the Guarantee shall, without any further action required on the part of the Issuer, the Guarantor or the Trustee, be irrevocably released and discharged in consideration for, and simultaneously with, the Automatic Conversion. On and following an Automatic Conversion, Noteholders shall not have any rights against the Issuer or the Guarantor, whether in an Issuer Winding-Up or a Guarantor Winding-Up or otherwise, with respect to:

(i) repayment of the principal amount of the Notes or any part thereof;

(ii) the payment of any interest on the Notes for any period; or

(iii) any other amounts arising under or in connection with the Notes, the Guarantee and/or the Trust Deed,

without prejudice to (A) the rights of Noteholders pursuant to Condition 3(*b*)(iii) and (B) the rights of holders of the Conversion Shares to claim in respect of those Conversion Shares in an Issuer Winding-Up.

Such Automatic Conversion shall take place without the need for the consent of Noteholders or the Trustee.

The determination as to whether a Trigger Event has occurred shall be made by the Issuer or the Guarantor. Any such determination shall be binding on the Issuer, the Guarantor, the Trustee and the Noteholders.

Any Trigger Event Notice delivered to the Trustee shall be accompanied by a certificate signed by two

Directors of the Issuer or the Guarantor certifying the accuracy of the contents of the Trigger Event Notice, which shall be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

Any failure by the Issuer or the Guarantor to give a Trigger Event Notice or to deliver the aforementioned certificate will not affect the effectiveness of, or otherwise invalidate, any Automatic Conversion, or give Noteholders any rights as a result of such failure.

The release of the principal amount of a Note pursuant to and in accordance with this Condition 7 shall be permanent and shall not constitute a default or event of default on the part of the Issuer or the Guarantor for any purpose and will not give Noteholders or the Trustee any right to take any enforcement action or any other action under the Notes, the Guarantee or the Trust Deed.

To the extent permitted by and in accordance with the Relevant Rules in force as at the relevant time, an Automatic Conversion may be exceptionally waived by the PRA at any time prior to the occurrence of the relevant Trigger Event if such an Automatic Conversion (taking into account the write-down or conversion of any other Own Fund Items on or around the same date) would give rise to a tax liability that would have a significant adverse effect on the solvency or capital position of the Guarantor and/or the Insurance Group. If the relevant Automatic Conversion is so waived, the relevant Automatic Conversion shall not occur (but without prejudice to (i) the cancellation of any Interest Payment (or Guaranteed Amounts in respect thereof) or part thereof pursuant to Condition 6 and (ii) the subsequent Automatic Conversion of the Notes if a further Trigger Event occurs (subject to further exceptional waiver by the PRA)). The Issuer (failing which, the Guarantor) shall give notice to the Trustee and, in accordance with Condition 14, the Noteholders of the grant of any such waiver as soon as practicable following its receipt from the PRA.

Under the Relevant Rules in force as at the Issue Date, the PRA is permitted (but not required) exceptionally to waive an Automatic Conversion in certain limited circumstances (being that it was triggered only by limb (c) of the definition of Trigger Event and not by either of limbs (a) or (b) of such definition) where it has received prior to the relevant Trigger Event (i) projections provided by the Guarantor and/or the Insurance Group when it submits its recovery plan required by the Relevant Rules, that demonstrate that triggering the principal loss absorbency mechanism in such case would be very likely to give rise to a tax liability that would have a significant adverse effect on Guarantor's and/or the Insurance Group's solvency position; and (ii) a certificate issued by the Guarantor's or the Insurance Group's statutory auditors certifying that all of the assumptions used in the projections are realistic.

(b) *Conversion Shares Depositary*

The Issuer shall use all reasonable endeavours to appoint a Conversion Shares Depositary as soon as reasonably practicable following the occurrence of a Trigger Event (unless the PRA has waived Automatic Conversion in respect of such Trigger Event as contemplated in Condition 7(*a*)).

If the Issuer has been unable to appoint a Conversion Shares Depositary, it shall make such other arrangements for the issuance and/or delivery of the Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances, which may include issuing the Conversion Shares to another nominee for the Noteholders or to the Noteholders directly, which issuance shall irrevocably and automatically release all of the Issuer's obligations under the Notes and all of the Guarantor's obligations under the Guarantee as if the Conversion Shares had been issued to the Conversion Shares Depositary.

The Conversion Shares shall initially be registered in the name of the Conversion Shares Depositary (which shall hold the Conversion Shares as nominee on behalf of the Noteholders) or the relevant recipient as contemplated above, and each Noteholder shall be deemed to have irrevocably directed the Issuer to issue the Conversion Shares corresponding to the conversion of its holding of Notes to the Conversion Shares Depositary (or to such other relevant recipient).

The number of Conversion Shares to be issued to the Conversion Shares Depositary on the Conversion Shares Delivery Date shall be determined by dividing the aggregate principal amount of the Notes outstanding (as defined in the Trust Deed) immediately prior to the Automatic Conversion by the Conversion Price prevailing on the date of the Automatic Conversion rounded down, if necessary, to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued following an Automatic Conversion and no cash payment will be made in lieu thereof.

The number of Conversion Shares to be held by the Conversion Shares Depositary for the benefit of each Noteholder shall be the number of Conversion Shares thus calculated multiplied by a fraction equal to the aggregate principal amount of the Notes held by such Noteholder divided by the aggregate principal amount of the Notes outstanding immediately prior to the Automatic Conversion, rounded down, if necessary, to the nearest whole number of Conversion Shares.

The Conversion Shares issued following an Automatic Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the Issuer's fully paid ordinary shares in issue on the Conversion Shares Delivery Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Conversion Shares so issued will not rank for (or, as the case may be, the relevant Noteholder shall not be entitled to receive) any rights, the entitlement to which falls prior to the Conversion Shares Delivery Date.

The Conversion Shares Depositary (or the relevant recipient in accordance with these Conditions, as applicable) shall hold the Conversion Shares on behalf of the Noteholders, who shall be entitled to direct the Conversion Shares Depositary or such other recipient, as applicable, to exercise on their behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) except that Noteholders shall not be able to sell or otherwise transfer the Conversion Shares until such time (if any) as they have been delivered to Noteholders.

Neither the Issuer, the Guarantor nor any member of the Insurance Group shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the delivery of Conversion Shares, which tax shall be borne solely by the Noteholder or, if different, the person to whom the Conversion Shares are delivered.

The Conversion Shares will not be available for delivery (A) to, or to a nominee for, any clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (B) to a person, or nominee or agent for a person, whose business is or includes issuing depository receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the "abolition day" as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom, or, if earlier, such other time at which the Issuer, in its absolute discretion, determines that no charge under Section 67, 70, 93 or 96 of the Finance Act 1986 or any similar charge (under any successor legislation) would arise as a result of such delivery or (C) to the CREST account of such a person mentioned in (A) or (B).

(c) Delivery of Conversion Shares to Noteholders

Following an Automatic Conversion, the Issuer (failing which, the Guarantor) shall procure that the Conversion Shares Depositary (or such other recipient of the Conversion Shares, as set out above) promptly delivers a notice to the Trustee, in accordance with the rules and regulations of any stock exchange on which the Notes were (at the request of the Issuer or the Guarantor) listed or admitted to trading immediately prior to Automatic Conversion and, in accordance with Condition 14, the Noteholders (i) setting out the procedures by which a Noteholder may arrange for the transfer to itself from the Conversion Shares Depositary of the Conversion Shares held for such Noteholder by the Conversion Shares Depositary, and (ii) specifying the date up to which the Notes shall remain in existence for the sole purpose of evidencing each relevant Noteholder's right to receive Conversion Shares from the Conversion Shares Depositary.

Following such cancellation of the Notes, each Noteholder will have to provide evidence of its entitlement to the relevant Conversion Shares satisfactory to the Conversion Shares Depositary in its sole and absolute discretion in order to receive delivery of Conversion Shares and the Conversion Shares Depositary may include such conditions to delivery as it considers to be appropriate.

Neither the Issuer nor the Guarantor shall have any liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or from any delay in the receipt thereof, in each case as a result of such holder failing to duly submit any notice and/or evidence of entitlement required by the Conversion Shares Depositary and the relevant Notes, if applicable, on a timely basis or at all.

If any Conversion Shares have not been claimed for 12 years after the Conversion Shares Delivery Date, the Issuer or the Guarantor may, at any time after such time and in its sole and absolute discretion, instruct the Conversion Shares Depositary (or an agent on its behalf) to sell for cash all or some of any such Conversion Shares and any such cash proceeds from such sale(s) will be forfeited and will be transferred to the Issuer for its own account unless the Issuer or the Guarantor decides, in its sole and absolute discretion, otherwise. Neither the Issuer nor the Guarantor will be a trustee of any such cash and neither the Issuer nor Guarantor shall have any liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or the cash proceeds from any such sale(s) as aforesaid (as applicable).

The Trustee shall not be responsible for monitoring or enforcing the obligations of the Conversion Shares Depositary. Following Automatic Conversion and delivery of the Conversion Shares to the Conversion Shares Depositary, Noteholders must look to the Conversion Shares Depositary (or such other recipient of the Conversion Shares, as set out above) for any Conversion Shares due to them at the relevant time.

(d) *Automatic Conversion following a substitution of the Issuer following an Issuer Winding-Up*

In the event that a Trigger Event occurs following the assumption by the Guarantor or any Subsidiary of the Guarantor of the Issuer's obligations in respect of the Notes by reason of the fact that an Issuer Winding-Up has occurred at any time prior to the occurrence of a Trigger Event when a Guarantor Winding-Up has not also occurred or is not occurring, as set out in Condition 4(*d*):

(i) if the Guarantor has assumed the Issuer's obligations in respect of the Notes, no Conversion Shares shall be delivered and instead the principal amount of the Notes shall (subject to any exceptional waiver thereof by the PRA on terms substantially the same, *mutatis mutandis*, as those set out in Condition 7(*a*)) be written down to zero and released in full together with all accrued and unpaid interest and any other amounts (if any) arising under or in connection with the Notes and/or the Trust Deed, and the Noteholders shall have no right to receive any principal, interest or any other amounts under or in respect of the Notes, the Guarantee or the Trust Deed thereafter; or

(ii) if another Subsidiary of the Guarantor has assumed the Issuer's obligations in respect of the Notes, an Automatic Conversion shall (and the Guarantor shall procure that an Automatic Conversion shall) (subject to any exceptional waiver thereof by the PRA on terms substantially the same, *mutatis mutandis*, as those set out in Condition 7(*a*)) occur on the terms described in Conditions

7(*a*) and 7(*b*), save that the Conversion Shares to be issued will be ordinary shares in the capital of such Subsidiary.

The Trustee may at its discretion, without the consent of the Noteholders, agree to any consequential amendments to these Conditions and the Trust Deed which may be proposed by the Issuer (or any substitute therefor) and/or the Guarantor in order to give effect to the provisions of this Condition 7(*d*).

(e) *Adjustments to the Conversion Price*

If the Issuer proposes any Adjustment Event, the board of directors of the Issuer shall (in its sole discretion, acting in good faith) determine and (conditional upon such Adjustment Event occurring) appoint an Independent Adviser to make any adjustment that such Independent Adviser determines is appropriate or necessary to the Conversion Price to account for the Adjustment Event, which determination shall be final and binding on the Issuer, the Guarantor, the Trustee and the Noteholders. The Issuer (failing which, the Guarantor) shall give notice to the Trustee, in accordance with the rules and regulation of any stock exchange on which the Notes are (at the request of the Issuer or the Guarantor) for the time being listed or admitted to trading and, in accordance with Condition 14, the Noteholders of any adjustment to the Conversion Price as soon as practicable following such determination. The Conversion Price shall not in any event be reduced to below the nominal value of an ordinary share of the Issuer at such time. The Issuer further undertakes that it shall not take any action, and shall procure that no action is taken, that would result in an adjustment to the Conversion Price to below such nominal value or any minimum level permitted by law and regulation.

(f) *Undertaking*

Whilst any Note remains outstanding, the Issuer shall (if and to the extent permitted by the Relevant Rules from time to time and only to the extent that such covenant would not cause a Capital Disqualification Event to occur) at all times keep available for issue or allotment, free from any pre-emptive or other preferential rights, sufficient ordinary shares to enable the issue of all Conversion Shares as would be necessary to satisfy in full the obligation of the Issuer to issue and deliver Conversion Shares following the occurrence of a Trigger Event.

8 Payments

(a) *Payments in respect of Notes*

(i) Payments of principal and interest shall be made on the due date for payment to the persons shown on the Register at the close of business on the date falling 15 days before the due date in respect of such payment. Payment of principal and interest will be made by transfer to the registered account of the relevant Noteholder.

(ii) Payments of principal and interest due at the time of redemption of the Notes will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents.

(iii) For the purposes of this Condition 8, a Noteholder's registered account means the sterling account maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the Register at the close of business on the date falling two Business Days before the due date for payment.

(b) *Payments subject to applicable laws*

Save as provided in Condition 10, payments under the Notes will be subject in all cases to any other applicable fiscal or other laws and regulations or other laws and regulations to which the Issuer or the Guarantor (or their respective Paying Agents) agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(c) *No commissions*

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 8.

(d) *Payment on Business Days*

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the due date for payment or, in the case of a payment of principal or interest due at the time of redemption of the Notes, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Noteholder is late in surrendering its Certificate (in circumstances where it is required to do so).

(e) *Partial payments*

If the amount of principal or interest which is due to be paid on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid. With respect to the amount of any Interest Payment or part thereof, the Registrar shall have regard to the provisions of Condition 6(*a*) and such annotation shall be entirely subject to the provisions of such Condition.

(f) *Agents*

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that they will at all times maintain:

(i) a Principal Paying Agent;

(ii) a Registrar; and

(iii) such other agents as may be required by any stock exchange on which the Notes may be (at the request of the Issuer or the Guarantor) listed.

Notice of any termination or appointment and of any changes in specified offices of any of the Agents will be given to the Noteholders promptly by the Issuer (failing which, the Guarantor) in accordance with Condition 14.

9 Redemption, Substitution, Variation and Purchase

(a) *No Redemption Date*

The Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer and the Guarantor shall only have the right to redeem or purchase (as the case may be) the Notes in accordance with the following provisions of this Condition 9. The Notes are not redeemable at the option of the Noteholders at any time.

(b) *Conditions to Redemption and Purchase*

Save as otherwise permitted pursuant to Condition 9(*c*), neither the Issuer nor the Guarantor may redeem or purchase any Notes unless each of the following conditions, to the extent required pursuant to the Relevant Rules at the relevant time, is satisfied:

(i) in the case of a redemption or purchase of the Notes prior to the fifth anniversary of the Relevant Issue Date, either:

(1) such redemption or purchase being funded out of the proceeds of a new issuance of, or the Notes being exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes; or

(2) in the case of any redemption pursuant to Condition 9(*g*) or 9(*h*), the PRA being satisfied that the Solvency Capital Requirement will be exceeded by an appropriate margin immediately after such redemption (taking into account the solvency position of the Guarantor and the Insurance Group, including by reference to the Guarantor's and the Insurance Group's medium-term capital management plans); and

(A) in the case of any such redemption following the occurrence of a Tax Event, the Issuer or the Guarantor having demonstrated to the satisfaction of the PRA that the applicable change in tax treatment is material; or

(B) in the case of any such redemption following the occurrence of a Capital Disqualification Event, the PRA considering that the relevant change in the regulatory classification of the Notes is sufficiently certain; and

(C) in either case, the Issuer or the Guarantor having demonstrated to the satisfaction of the PRA that such change was not reasonably foreseeable as at the Relevant Issue Date;

(ii) in respect of any redemption or purchase of the Notes occurring (A) on or after the fifth anniversary of the Relevant Issue Date and (B) before the tenth anniversary of the Relevant Issue Date, the PRA has confirmed to the Issuer or the Guarantor that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Guarantor and the Insurance Group, including by reference to the Guarantor's and the Insurance Group's medium-term capital management plans) at the time of and immediately following such redemption or purchase unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are, or are to be, exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes;

(iii) the Solvency Condition is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not (if the Guarantor were to make payment of the relevant redemption or purchase price together with any accrued and unpaid interest which has not been cancelled in accordance with these Conditions) cause the Solvency Condition to be breached;

(iv) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not (if the Guarantor were to make payment of the relevant redemption or purchase price together with any accrued and unpaid interest which has not been cancelled in accordance with these Conditions) cause the Solvency Capital Requirement to be breached;

(v) the Minimum Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not (if the Guarantor were to make payment of the relevant redemption or purchase price together with any accrued and unpaid interest which has not been cancelled in accordance with these Conditions) cause the Minimum Capital Requirement to be breached;

(vi) no Trigger Event has occurred (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(*a*));

(vii) no Insolvent Insurer Winding-up has occurred and is continuing; and/or

(viii) the Regulatory Clearance Condition is satisfied,

the conditions set out in paragraphs (i) to (viii) (inclusive) above (to the extent required pursuant to the Relevant Rules at the relevant time as aforesaid) being the "**Redemption and Purchase Conditions**".

Notwithstanding the above conditions, if at the time of any such redemption or purchase, the prevailing Relevant Rules permit the redemption or purchase only after compliance with one or more additional or alternative requirements or pre-conditions to those set out above, the Issuer and the Guarantor shall comply with such additional and/or any appropriate, alternative requirement or pre-conditions (which shall be deemed to be the "**Redemption and Purchase Conditions**").

If on the proposed date for redemption or purchase of the Notes the Redemption and Purchase Conditions are not met, redemption of the Notes shall (save as otherwise permitted pursuant to Condition 9(*c*)) instead be suspended and such redemption shall occur only in accordance with Conditions 9(*c*) and 9(*d*) or, as applicable, the purchase of the Notes shall be cancelled.

(c) *Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by the PRA*

Notwithstanding Condition 9(*b*), the Issuer and the Guarantor shall be entitled to redeem or (as the case may be) purchase Notes (to the extent permitted by the Relevant Rules) where:

(i) all Redemption and Purchase Conditions are met other than that described in paragraph (iv) of Condition 9(*b*);

(ii) the PRA has exceptionally waived the cancellation or suspension of redemption or, as the case may be, purchase of the Notes;

(iii) all (but not some only) of the Notes being redeemed or purchased at such time are, or are to be, exchanged for a new issue of Tier 1 Own Funds of the same or higher quality than the Notes (which, for the avoidance of doubt, will include (without limitation) a redemption or purchase funded out of the proceeds of one or more issues of Tier 1 Own Funds of the same or a higher quality than the Notes); and

(iv) the Minimum Capital Requirement will be complied with immediately following such redemption or purchase, if made.

A certificate signed by two Directors of the Issuer or the Guarantor confirming that the conditions set out in this Condition 9(*c*) are met, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without obligation to verify or investigate the accuracy thereof.

Where the requirements of this Condition 9(c) are satisfied in respect of any redemption or purchase, the Redemption and Purchase Conditions for such redemption or purchase shall be deemed to be met.

(d) *Suspension of Redemption*

The Issuer (failing which, the Guarantor) shall notify the Trustee, the Principal Paying Agent, the

Registrar and, in accordance with Condition 14, the Noteholders no later than five Business Days prior to any date set for redemption of the Notes if such redemption is to be suspended in accordance with Condition 9(*b*), provided that if an event occurs or is determined less than five Business Days prior to the date set for redemption that results in the Redemption and Purchase Conditions ceasing to be met or that would result in the Redemption and Purchase Conditions not being met if the proposed redemption or purchase were to be made, the Issuer (failing which, the Guarantor) shall notify the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders as soon as reasonably practicable following the occurrence or determination (as the case may be) of such event, but any delay or failure in providing such notice shall not affect the suspension of the relevant redemption, nor constitute a default or an event of default on the part of the Issuer or the Guarantor for any purpose.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under Condition 9 as a result of the operation of Condition 9(*b*), the Issuer shall redeem such Notes at their principal amount outstanding together with any accrued and unpaid interest (in each case, to the extent that such amounts have not been cancelled pursuant to these Conditions), upon the earlier of:

(i) the date falling ten Business Days after the date on which the Redemption and Purchase Conditions are met or redemption of the Notes is otherwise permitted pursuant to Condition 9(*c*) (unless on such tenth Business Day the Redemption and Purchase Conditions are again not met or the redemption of the Notes on such date would result in the Redemption and Purchase Conditions ceasing to be met (in each case save for the Redemption and Purchase Condition at sub-paragraph (iv) of Condition 9(*b*) to the extent waived under Condition 9(*c*)), in which case the provisions of Condition 9(*b*) and this sub-paragraph (i) of this Condition 9(*d*) will apply *mutatis mutandis* to determine the rescheduled due date for redemption of the Notes); or

(ii) the date on which a Guarantor Winding-Up occurs (insofar as such Guarantor Winding-Up occurs prior to a Trigger Event in respect of which the PRA has not waived Automatic Conversion as contemplated in Condition 7(*a*)).

The Issuer (failing which, the Guarantor) shall notify the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders no later than five Business Days prior to any such date set for redemption pursuant to (i) or (if reasonably practicable in the circumstances) (ii) above.

A certificate signed by two Directors of the Issuer or the Guarantor confirming that: (i) the Redemption and Purchase Conditions are not met or would cease to be met if the proposed redemption or purchase were to be made; or (ii) the Redemption and Purchase Conditions are met and would continue to be met if the proposed redemption or purchase were to be made, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely on such certificate absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(e) Suspension of Redemption and Cancellation of Purchases Not a Default

Notwithstanding any other provision in these Conditions or in the Trust Deed, the suspension of redemption of the Notes and any cancellation of any purchases of any Notes in accordance with Condition 9(*b*) and 9(*d*) shall not constitute a default or event of default on the part of the Issuer or the Guarantor for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action or any other action under the Notes, the Guarantee or the Trust Deed.

(f) Redemption at the Option of the Issuer

Provided that the Redemption and Purchase Conditions are met, the Issuer may, at its option, having given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice shall (save as provided in Condition 9(*q*) below) be irrevocable and shall specify the date fixed for redemption) redeem all (but not some only) of the Notes, on (A) any day falling in the period commencing on (and including) 25 May 2033 and ending on (and including) the First Reset Date or (B) on any day falling in the period commencing on (and including) the date falling six months prior to, and ending on (and including), any Reset Date thereafter at their principal amount together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

(g) *Redemption, substitution or variation at the option of the Issuer due to a Tax Event*

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 9(*m*) are met, if a Tax Event has occurred and is continuing, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice shall (save as provided in Condition 9(*q*) below) be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities, and the Trustee shall (subject as provided in Condition 9(*l*) below and to the receipt by it of the certificates of the Directors referred to in Condition 9(*m*) below and in the definition of "Qualifying Securities") agree to such substitution or variation,

provided that:

(1) no such notice shall be given earlier than 90 days prior to the earliest date on which: (i) with respect to limb (a) or (b) of the definition of Tax Event, the Issuer or, as the case may be, the Guarantor would be obliged to pay such Additional Amounts; (ii) with respect to limb (c) of the definition of Tax Event, a payment of interest (or Guaranteed Amounts in respect of interest) would be treated as a "distribution" for United Kingdom corporation tax purposes or otherwise not deductible from taxable profits for United Kingdom corporation tax purposes (or a material part of it would not be so deductible), in each case as referred to in limb (c) of the definition of Tax Event; (iii) with respect to limb (d) of the definition of Tax Event, a payment of interest (or Guaranteed Amounts in respect of interest) would cause a loss or non-trading loan relationship deficit for United Kingdom corporation tax purposes which is not capable of being surrendered as referred to in limb (d) of the definition of Tax Event, in each case were a payment in respect of the Notes then due; (iv) with respect to limb (e) of the definition of Tax Event, such tax liability would arise; or (v) with respect to limb (f) of the definition of Tax Event, the relevant adverse tax consequence would arise or be suffered; and

(2) the Issuer shall also deliver to the Trustee an opinion from a nationally recognised law firm or other tax adviser in the applicable Relevant Jurisdiction experienced in such matters to the effect that the

relevant requirement or circumstance referred to in sub-paragraph (1) applies or (where applicable) will apply on the next Interest Payment Date (save that such opinion need not provide any confirmation as to whether the Issuer or, as the case may be, the Guarantor could avoid the occurrence or effect of the relevant Tax Event by taking reasonable measures available to it).

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(h) *Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event*

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 9(*m*) are met, if a Capital Disqualification Event has occurred and is continuing or, as a result of any change to the Relevant Rules (or change to the interpretation of the Relevant Rules by any court or authority entitled to do so), a Capital Disqualification Event will occur within the forthcoming period of six months, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice shall (save as provided in Condition 9(*q*) below) be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities and the Trustee shall (subject as provided in Condition 9(*l*) below and to the receipt by it of the certificates of the Directors referred to in Condition 9(*m*) below and in the definition of "Qualifying Securities") agree to such substitution or variation.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(i) *Redemption, substitution or variation at the option of the Issuer due to a Ratings Methodology Event*

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 9(*m*) are met, if a Ratings Methodology Event has occurred and is continuing or, as a result of a change in (or clarification to) the methodology of the Rating Agency (or in the interpretation of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice shall (save as provided in Condition 9(*q*) below) be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Rating Agency Compliant Securities and the Trustee shall (subject as provided in Condition 9(*l*) below and to the receipt by it of the certificates of the Directors referred to in Condition 9(*m*) below and in the definitions of "Qualifying Securities" and "Rating Agency Compliant Securities") agree to such substitution or variation.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(j) Redemption, substitution or variation at the option of the Issuer due to an Accounting Event

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 9(*m*) are met, if an Accounting Event has occurred and is continuing or will occur within the forthcoming period of 12 months, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice shall (save as provided in Condition 9(*q*) below) be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities and the Trustee shall (subject as provided in Condition 9(*l*) below and to the receipt by it of the certificates of the Directors referred to in Condition 9(*m*) below and in the definition of "Qualifying Securities") agree to such substitution or variation,

provided that the Issuer shall deliver to the Trustee an opinion from a recognised accountancy firm of international standing experienced in such matters confirming that an Accounting Event has occurred or will so occur.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(k) Clean-up redemption at the option of the Issuer

Provided that the Redemption and Purchase Conditions are met, if 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes will be deemed to have been originally issued) has been purchased by the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries and cancelled (a "**Clean-Up Event**"), then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice shall (save as provided in Condition 9(*q*) below) be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the remaining Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

(l) *Trustee role on redemption, variation or substitution; Trustee not obliged to monitor*

(i) Subject to Condition 9(*b*), the Trustee shall (at the expense of the Issuer) use its reasonable endeavours to co-operate with the Issuer and the Guarantor (including, but not limited to, entering into such documents or deeds as may be necessary) to give effect to the substitution or variation of the Notes for or into Qualifying Securities pursuant to Condition 9(*g*), 9(*h*) or 9(*j*) above or Rating Agency Compliant Securities pursuant to Clause 9(*i*) above, provided that the Trustee shall not be obliged to co-operate in any such substitution or variation if the securities resulting from such substitution or variation, or the co-operation in such substitution or variation, imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to liabilities or reduces its protections, in each case as compared with the corresponding obligations, liabilities or, as appropriate, protections under the Notes. If the Trustee does not so co-operate as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in this Condition 9.

(ii) The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 9 and will not be responsible to Noteholders for any loss arising from any failure by it to do so. Unless and until the Trustee has written notice pursuant to these Conditions or the Trust Deed of the occurrence of any event or circumstance to which this Condition 9 relates, it shall be entitled without liability to assume that no such event or circumstance exists or has arisen.

(m) *Preconditions to redemption, variation and substitution*

(i) Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 9(*g*), 9(*h*), 9(*i*), 9(*j*) or 9(*k*), the Issuer or the Guarantor shall deliver to the Trustee a certificate signed by two Directors of the Issuer or the Guarantor stating that, as the case may be, the Issuer is entitled to redeem, vary or substitute the Notes on the grounds that a Tax Event, a Capital Disqualification Event, a Ratings Methodology Event, an Accounting Event or a Clean-Up Event has occurred and is continuing as at the date of the certificate or (in the case of a Capital Disqualification Event or a Ratings Methodology Event) will occur within a period of six months or (in the case of an Accounting Event) will occur within a period of 12 months and (as the case may be) that it would have been reasonable for the Issuer to conclude, judged at the Relevant Issue Date, that the relevant Tax Event, Capital Disqualification Event, Ratings Methodology Event or Accounting Event was not reasonably foreseeable and in each case that all other conditions precedent to such redemption, variation or substitution have been satisfied.

(ii) The Issuer shall not be entitled to amend or otherwise vary the terms of the Notes or substitute the Notes pursuant to Condition 9(*g*), 9(*h*), 9(*i*) or 9(*j*) unless it has notified the PRA in writing of its intention to do so not less than one month (or such other period as may be required by the PRA or the Relevant Rules at the relevant time) prior to the date on which such amendment, variation or substitution is to become effective and the Regulatory Clearance Condition has been satisfied in respect of such proposed amendment, variation or substitution.

A certificate signed by any two Directors of the Issuer or the Guarantor to the Trustee confirming compliance with the relevant requirements set out above shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties. The Trustee shall be entitled to accept such certificate as sufficient evidence of such compliance and shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(n) *Compliance with stock exchange rules*

In connection with any substitution or variation of the Notes in accordance with Condition 9(*g*), 9(*h*), 9(*i*) or 9(*j*), the Issuer and the Guarantor shall comply with the rules of any stock exchange or other relevant authority on which the Notes are (at the request of the Issuer or the Guarantor) for the time being listed or admitted to trading.

(o) *Purchases*

Provided that the Redemption and Purchase Conditions are met at the time of such purchase, the Issuer, the Guarantor or any of the Guarantor's other Subsidiaries may at any time purchase Notes in any manner and at any price. All Notes purchased by or on behalf of the Issuer, the Guarantor or any other Subsidiary of the Guarantor may be held, reissued, resold or, at the option of the relevant purchaser, surrendered for cancellation to the Registrar.

(p) *Cancellations*

All Notes redeemed or substituted by the Issuer pursuant to this Condition 9, and all Notes purchased and surrendered for cancellation pursuant to Condition 9(*o*), will forthwith be cancelled. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(q) *Notices Final*

Subject to and without prejudice to the Redemption and Purchase Conditions and to Condition 9(*d*), any notice of redemption, substitution or variation as is referred to in this Condition 9 shall, except in the circumstances described in the following paragraph of this Condition 9(*q*), be irrevocable and on the redemption, variation or (as the case may be) substitution date specified in such notice, the Issuer shall be bound to redeem or, as the case may be, vary or substitute the Notes in accordance with the terms of the relevant Condition.

The Issuer may not give a notice of redemption, substitution or variation of the Notes pursuant to this Condition 9 if a Trigger Event has occurred (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(*a*)). If a Trigger Event occurs after a notice of redemption, substitution or variation has been given by the Issuer but before the relevant redemption, substitution or (as the case may be) variation date, and unless the PRA has waived Automatic Conversion (as contemplated in Condition 7(*a*)) in respect of such Trigger Event prior to the scheduled date for such redemption, substitution or variation (as applicable), such notice of redemption, substitution or variation (as applicable) shall automatically be revoked and be null and void and the relevant redemption, substitution or variation (as applicable) shall not be made or effected and the Notes shall be subject to Automatic Conversion in accordance with Condition 7.

10 Taxation

(a) *Payment without withholding*

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

(i) *Other connection*: held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or

(ii) *Lawful avoidance of withholding*: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or

(iii) *Surrender more than 30 days after the Relevant Date*: in respect of which the Certificate representing such Note is (where presentation is required under these Conditions) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer or by the Guarantor pursuant to the Guarantee will be paid net of any deduction or withholding imposed or 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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). None of the Issuer, the Guarantor or any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

(b) Additional Amounts

Any reference in these Conditions to any amounts in respect of interest (including payments of Guaranteed Amounts in respect of interest) payable in respect of the Notes or the Guarantee shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 10 or under any undertakings given in addition to, or in substitution for, this Condition 10 pursuant to the Trust Deed.

11 Prescription

Claims against the Issuer in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of them. Claims against the Guarantor for payment in respect of Guaranteed Amounts will become prescribed unless made within 10 years (in the case of Guaranteed Amounts relating to principal) or five years (in the case of Guaranteed Amounts relating to interest) from the Relevant Date in respect of them.

12 Events of Default

(a) Right to institute and/or prove in a winding-up

The right to prove in winding-up proceedings in respect of the Issuer prior to the occurrence of a Trigger Event is limited to proving and/or claiming in an Issuer Winding-Up in circumstances where a Guarantor Winding-Up has also occurred or is occurring. Neither the Noteholders nor the Trustee on their behalf have the right to institute winding-up proceedings of the Issuer.

If, prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not also occurring, the Guarantor shall (as more particularly described in the Trust Deed) assume, or shall procure the assumption by a Subsidiary of the Guarantor of, all of the obligations of the Issuer under the Notes and the Trust Deed (including any damages awarded against the Issuer for breach of any of its obligations thereunder) as if references in these Conditions and the Trust Deed to "the Issuer" were to the Guarantor or the relevant Subsidiary (as the case may be) but provided that the claims of the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders against the Guarantor in respect of all payment obligations under the Notes and the Trust Deed shall rank pari passu with the Guarantee.

The right to institute winding-up proceedings in respect of the Guarantor is limited to circumstances where, prior to the occurrence of a Trigger Event, a payment under the Guarantee in respect of principal has become due and has not been paid by the Guarantor. For the avoidance of doubt, unless a Guarantor Winding-Up has occurred, no amount shall be due from the Guarantor in those circumstances where payment of such amount could not be made in compliance with the Solvency Condition or is deferred in accordance with Conditions 9(b) and 9(d).

(i) *Issuer non-payment where no Guarantor Winding-Up*:

If, prior to the occurrence of a Trigger Event, (1) neither an Issuer Winding-Up nor a Guarantor Winding-Up has occurred or (2) an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring and, in either case, the Issuer is in default in the payment of any principal due in respect of the Notes or any of them, then the Trustee and (where permitted to do so pursuant to Condition 12(d)) the Noteholders may, in accordance with Condition 3(*b*) and the terms of the Guarantee, but subject also to Conditions 3(*c*), 6(*a*), 6(*b*), 7, 9(*b*) and 9(*d*), claim under the Guarantee for such payments due but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or the Trust Deed.

(ii) *Issuer Winding-Up together with Guarantor Winding-Up*:

If, prior to the occurrence of a Trigger Event, an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee and (where permitted to do so pursuant to Condition 12(d)) the Noteholders may claim under the Guarantee for the Guaranteed Amounts and the Trustee at its discretion may, and if so requested by Noteholders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) prove in the relevant winding-up or administration of the Issuer and/or the Guarantor (whether in England and Wales or elsewhere) and/or claim in the liquidation of the Issuer and/or the Guarantor (whether in England and Wales or elsewhere), such claim being as described in, and subordinated in the manner described in, Condition 3(*b*)(i) or Condition 4(*b*), as applicable, but may take no further or other action to enforce, prove or claim for any payment by the Issuer or the Guarantor in respect of the Notes or the Trust Deed (including, without limitation, the Guarantee).

(iii) *Guarantor non-payment or Guarantor Winding-Up:*

If, prior to the occurrence of a Trigger Event:

(A) default is made by the Guarantor for a period of 14 days or more in the payment of any Guaranteed Amount due under the Guarantee in respect of principal; or

(B) the Guarantor is in a Guarantor Winding-Up where an Issuer Winding-Up has not occurred or is not occurring,

the Trustee at its discretion may, and if so requested by Noteholders of at least one fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction):

(x) institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere) and prove in the winding-up and/or administration of the Issuer and/or claim in the liquidation of the Issuer, such claim being as described in, and subordinated in the manner described in, Condition 3(*b*)(i), but may take no further or other action against the Issuer to enforce, prove or claim for any payment due in respect of the Notes or the Trust Deed; and

(y) in the case of Condition 12(a)(iii)(A) above, institute proceedings for the winding-up of the Guarantor in England and Wales (but not elsewhere) and, in the case of Condition 12(a)(iii)(A) or (B) above, prove in the winding-up and/or administration of the Guarantor (whether in England and Wales or elsewhere) and/or claim in the liquidation of the Guarantor (whether in England and Wales or elsewhere), such claim being as described in, and subordinated in the manner described in, Condition 4(*b*), but (in either case) may take no further or other action against either the Issuer or the Guarantor to enforce, prove or claim for any payment due in respect of the Notes or the Trust Deed (including the Guarantee), save as provided in Condition 3(*b*)(v).

Any claim against the Issuer or, as appropriate, the Guarantor pursuant to this Condition 12(*a*)(iii) for amounts in respect of principal and/or interest or, as the case may be, Guaranteed Amounts, shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Guarantor or, as appropriate, the Issuer and any claim against the Guarantor or, as appropriate, (and in addition to the assignments set out in Conditions 3(*b*)(i) and (ii)), the Issuer for amounts in respect of Guaranteed Amounts or, as appropriate, principal and/or interest shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Issuer or, as appropriate, the Guarantor.

(iv) *Enforcement on or following a Trigger Event*:

If (whether or not a Guarantor Winding-Up also occurs at or after such time) an Issuer Winding-Up occurs concurrently with or after the occurrence of a Trigger Event (disregarding, for this purpose, any Trigger Event in respect of which the PRA has waived Automatic Conversion as contemplated in Condition 7(*a*), in which case the provisions of Conditions 12(*a*)(i) or 12(*a*)(ii) above, as applicable, shall continue to apply as if such Trigger Event had not occurred), and where the Conversion Shares have not yet been delivered to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7), the Trustee at its discretion may, and if so requested by Noteholders of at least one fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) prove in the relevant winding-up or administration of the Issuer and/or claim in the liquidation of the Issuer, such claim being as described in Condition 3(*b*)(iii), but may take no further or other action to enforce, prove or claim for any payment by the Issuer or the Guarantor in respect of the Notes or the Trust Deed (including, without limitation, the Guarantee).

(b) *Enforcement*

Without prejudice to Condition 12(*a*), the Trustee may at its discretion and without further notice institute such proceedings or take such steps or actions against the Issuer or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor (as the case may be) under the Trust Deed or the Notes (other than any payment obligation of the Issuer or the Guarantor under or arising from the Notes or the Trust Deed (including the Guarantee), including any payment of damages awarded for breach of any obligations thereunder, but excluding any payments made to the Trustee acting on its own account under the Trust Deed in respect of its costs, expenses, liabilities or remuneration) but in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. Nothing in this Condition 12(*b*) shall, however, prevent the Trustee or the Noteholders from pursuing the remedies to which they are entitled pursuant to Condition 12(*a*).

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 12(*a*) or 12(*b*) above against the Issuer or the Guarantor to enforce the terms of the Trust Deed, the Notes or any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that 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.

(d) *Right of Noteholders*

No Noteholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or the Guarantor or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or is unable to do so within 60 days and such failure or inability shall be continuing, in which case the Noteholders shall have only such rights against the Issuer and the Guarantor (as appropriate) as those which the Trustee is entitled to exercise as set out in this Condition 12.

(e) *Extent of Noteholders' remedy*

No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 12 and in Conditions 3 and 4, shall be available to the Trustee or the Noteholders, 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 or the Guarantor of any of its other obligations under or in respect of the Notes or under the Trust Deed.

If the Issuer fails to issue and deliver the Conversion Shares to be issued and delivered on an Automatic Conversion to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7) in accordance with these Conditions, a Noteholder's only right under the Notes against the Issuer for any such failure will be to claim to have such Conversion Shares issued and delivered in accordance with Condition 7 (or, if an Issuer Winding-Up also occurs prior to delivery of the Conversion Shares, to claim against the Issuer as provided in Condition 3(*b*)(iii)).

Provided that the Issuer issues and delivers the Conversion Shares to the Conversion Shares Depositary (or to the relevant recipient as contemplated in Condition 7) in accordance with these Conditions, with effect from the Conversion Shares Delivery Date, Noteholders shall have recourse only to the Conversion Shares Depositary (or to such other relevant recipient, as applicable) for the delivery to them of the Conversion Shares to which such Noteholders are entitled.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or other Transfer Agent (or any other place notice of which shall have been given in accordance with Condition 14) upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer or the Guarantor may reasonably require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Notices

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are (at the request of the Issuer or the Guarantor) for the time being listed. Any notice shall be deemed to have been given on the earlier of (i) the second day after being so mailed and (ii) the date of publication (or, if so published more than once or on different dates, on the date of the first publication).

15 Substitution of Issuer or Guarantor

(a) *Substitution rights*

Subject to Condition 15(*b*), the Trustee shall, at the request of the Issuer and the Guarantor, agree with the Issuer and the Guarantor, without the consent of the Noteholders:

(i) to the substitution of the Guarantor or its successor in business in place of the Issuer as principal debtor under the Trust Deed and the Notes; or

(ii) (subject to the Notes remaining unconditionally and irrevocably guaranteed on a subordinated basis, in accordance with Condition 4, by the Guarantor), to the substitution of a Subsidiary or parent company of: (i) the Issuer or its successor in business or (ii) the Guarantor or its successor in business, in place of the Issuer or any previous substitute under this Condition 15 as principal debtor under the Trust Deed and the Notes; or

(iii) to the substitution of a successor in business to the Guarantor in place of the Guarantor or any previous substitute under this Condition 15,

(each such substitute being hereinafter referred to as the "**Substituted Obligor**"), provided that in each case:

(1) a trust deed or some other form of undertaking, supported by one or more legal opinions, is executed by the Substituted Obligor in a form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Deed and (in the case of (i) and (ii) above) the Notes, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substituted Obligor had been named in the Trust Deed and (in the case of (i) and (ii) above) the Notes, as the principal debtor in place of the Issuer (in the case of (i) and (ii) above) or as the guarantor in place of the Guarantor (in the case of (iii) above) (or of any relevant previous Substituted Obligor, as the case may be);

(2) the Substituted Obligor delivers to the Trustee one or more legal opinions addressed to the Trustee, the Issuer and the Guarantor in a form approved by, and provided to, the Trustee that (i) it has obtained all necessary governmental and regulatory approvals and consents necessary for its assumptions of the duties and liabilities as Substituted Obligor under the Trust Deed and (in the case of (i) and (ii) above) the Notes in place of the Issuer or the Guarantor (as applicable) or, as the case may be, any previous Substituted Obligor and (ii) such approvals and consents are at the time of substitution in full force and effect. The Trustee may rely absolutely on such legal opinions without liability to any person and without any obligation to verify or investigate the accuracy thereof;

(3) two Directors (or other officers acceptable to the Trustee) of the Substituted Obligor certify that the Substituted Obligor is solvent at the time at which the substitution is proposed to be in effect and immediately thereafter (and the Trustee may rely absolutely on such certification without liability to any person and shall not be bound to have regard to the financial condition, profits or prospects of the Substituted Obligor or to compare the same with those of the Issuer or (as the case may be) the Guarantor or (as the case may be) any previous Substituted Obligor);

(4) (without prejudice to the generality of the foregoing) the Trustee may, in the event of such substitution agree, without the consent of the Noteholders, to a change in the law governing the Trust Deed and/or the Notes if in the opinion of the Trustee such change would not be materially prejudicial to the interests of the Noteholders;

(5) if the Substituted Obligor is, or becomes, subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the territory of the taxing jurisdiction of which (or to any such authority of or in which) the Issuer or (as the case may be) the Guarantor (or any previous Substituted Obligor) is subject generally (the "**Original Territory**"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 10 with the substitution for the references in that Condition and in the term "Relevant Jurisdiction" as applied in Condition 9(*g*) to the Original Territory of references to the Substituted Territory whereupon the Trust Deed and the Notes will be read accordingly;

(6) the Issuer, the Guarantor and the Substituted Obligor comply with such other requirements as the Trustee considers in its absolute discretion to be appropriate; and

(7) in the case of a substitution of the Guarantor pursuant to Condition 15(*a*)(iii) only, if the Notes are rated (where such rating was assigned or is then being maintained at the request or with the cooperation of the Issuer or the Guarantor) by one or more credit rating agencies of international standing immediately prior to such substitution, the Notes shall continue to be rated by each such rating agency immediately following such substitution, and the credit ratings assigned to the Notes by each such rating agency immediately following such substitution are to be no less than those assigned to the Notes immediately prior thereto.

(b) Conditions to substitution

Any substitution pursuant to this Condition 15 shall be subject to compliance with the Regulatory Clearance Condition.

Any substitution pursuant to this Condition 15 which occurs prior to the fifth anniversary of the Relevant Issue Date shall, to the extent then required by the Relevant Rules, also be subject to compliance with Condition 9(*b*)(i)(1).

Any substitution pursuant to this Condition 15 which occurs (A) on or after the fifth anniversary of the Relevant Issue Date and (B) before the tenth anniversary of the Relevant Issue Date shall, to the extent then required by the Relevant Rules, also be subject to compliance with Condition 9(*b*)(ii).

16 Meetings of Noteholders, Modification, Waiver and Authorisation

(a) Meetings of Noteholders

Any modification to these Conditions or any provisions of the Trust Deed will be subject to the Issuer or the Guarantor satisfying the Regulatory Clearance Condition.

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call or video conference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor, the Trustee or Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which falls within the proviso to paragraph 3 of Schedule 3 to the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., of the principal amount of the Notes for the time being outstanding.

The Trust Deed also provides that a written resolution executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present shall take effect as if it were an Extraordinary Resolution.

An Extraordinary Resolution passed at any duly convened and held meeting of the Noteholders or by way of a written resolution will be binding on all Noteholders, whether or not they are present at the meeting or (as the case may be) whether or not they execute the written resolution.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions and/or the Trust Deed required to be made in connection with the substitution or variation of the Notes pursuant to Condition 9(*g*), 9(*h*), 9(*i*) or 9(*j*) or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee pursuant to Condition 7(*d*) or in connection with a substitution of the Issuer or the Guarantor pursuant to Condition 15.

(b) Modification, waiver, authorisation and determination

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed: (i) which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders; (ii) which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error; or (iii) which is required in connection with Condition 9(*g*), 9(*h*), 9(*i*), 9(*j*) or 15. For the avoidance of doubt, such power shall not extend to any such modification as mentioned in the proviso to paragraph 3 of Schedule 3 to the Trust Deed unless required for the substitution or variation of the Notes pursuant to Condition 9(*g*), 9(*h*), 9(*i*) or 9(*j*) or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee pursuant to Condition 7(*d*) or in connection with a substitution of the Issuer or the Guarantor pursuant to Condition 15.

(c) *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, determination or substitution of obligor), 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 Guarantor, 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 10 and/or any undertaking given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

(d) *Notification to the Noteholders*

Any substitution or variation pursuant to Condition 9(*g*), 9(*h*), 9(*i*) or 9(*j*), any substitution pursuant to Condition 15 and any modification, abrogation, waiver, authorisation or determination pursuant to this Condition 16 shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

17 Transfer of Business of the Guarantor

In connection with any transfer of the whole or a substantial part of its business:

(i) to another body in accordance with Part VII (Control of Business Transfers) of the FSMA (a "**Successor**"); or

(ii) to a single legal entity where such transfer is pursuant to the exercise by the PRA or by any regulatory authority under the Financial Services Compensation Scheme of its powers in connection with any applicable law, rule or regulation,

the Guarantor shall procure that, subject to receiving the prior approval of the PRA, there shall be included in the transfer, all the liabilities and obligations of the Guarantor as obligor under the Guarantee and references in these Conditions and the Trust Deed to the Guarantor shall be construed accordingly. Any such transfer may be made without prior approval from the Trustee or the Noteholders, but is without prejudice to any statutory right of the Trustee or the Noteholders to raise objections in respect of any such transfer.

In this Condition 17, "**a substantial part**" means any part which, as at the most recent valuation date by reference to the latest published financial statements of the Guarantor and as certified in writing by two Directors of the Guarantor to the Trustee, represents 50 per cent. or more of liabilities (where the amount of the liabilities of the Guarantor is deemed to mean the same as the technical provisions of the Guarantor, net of reinsurance) relating to policies underwritten by the Guarantor.

18 Indemnification of the Trustee and its Contracting with the Issuer and the Guarantor

(a) Indemnification 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, the Guarantor 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.

Nothing in the Trust Deed or these Conditions (including, without limitation, the provisions of Conditions 3, 7 or 12) shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee for its own account under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

(b) Trustee contracting with the Issuer and the Guarantor

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 the Guarantor and/or any of the Guarantor's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any of the Guarantor's other 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) Reports and certificates

The Trust Deed provides that the Trustee may rely and act upon on the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant (including the auditors of the Issuer or the Guarantor), surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Guarantor, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee may also rely and act upon certificates and/or information addressed to it from, or delivered by, the Issuer, the Guarantor, any Substituted Obligor or any one or more directors of the Issuer, the Guarantor or any Substituted Obligor or any of their respective auditors, liquidators, administrators or other insolvency officials. The Trustee will not be responsible to anyone for any liability occasioned by so relying and acting. Any such advice, opinion, information or certificate may be sent or obtained by letter, email, electronic communication or fax and the Trustee shall not be liable for acting in good faith on any advice, opinion, information or certificate purporting to be conveyed by such means even if it contains an error or is not authentic.

19 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, 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 outstanding Notes. Any further notes which are to form a single series with the outstanding Notes shall be constituted by a deed supplemental to the Trust Deed.

The Issuer shall only issue further notes which are to be consolidated and form a single series with the outstanding Notes if it is content that (i) such further notes will upon issue qualify as Tier 1 Capital of the Guarantor and the Insurance Group and (ii) the outstanding Notes will continue to qualify as Tier 1 Capital of the Guarantor and the Insurance Group following the issuance of such further notes and their consolidation to form a single series with the outstanding Notes.

20 Governing Law

The Trust Deed (including the Guarantee) and the Notes, and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee) and/or the Notes, are governed by, and shall be construed in accordance with, English law.

21 Rights of Third Parties

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

22 Defined Terms

In these Conditions:

An "**Accounting Event**" shall be deemed to have occurred if, as a result of any change in the accounting principles under Financial Reporting Standard 102 of the Financial Reporting Council ("**FRS 102**") (or any change in the interpretation of such accounting principles by the auditors of the Issuer or the Guarantor) which becomes effective on or after the Relevant Issue Date, but not otherwise, at any time the obligations of the Issuer or the Guarantor in respect of the principal amount of the Notes (or Guaranteed Amounts in respect of the principal amount of the Notes) must not, or must no longer, be recorded as a 'financial liability' pursuant to FRS 102 for the purposes of the consolidated financial statements of the Guarantor.

"**Additional Amounts**" has the meaning given in Condition 10;

"**Adjustment Event**" means the occurrence or existence at any relevant time of a subdivision, redesignation, consolidation or reclassification of any ordinary shares of the Issuer;

"**Agency Agreement**" has the meaning given in the preamble to these Conditions;

"**Agents**" means the Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agents or any of them and shall include such other agents appointed from time to time under the Agency Agreement;

"**Asset Share**" means, in relation to a with-profits policy, the accumulation at investment rates of return (including, without limitation, capital appreciation and, where applicable, a contribution from miscellaneous profits) of premiums paid under the relevant with-profits policy less charges for expenses, taxation, the cost of benefits provided under the relevant with-profits policy and any charges for the cost of guarantees and the use of capital;

"**Assets**" means the unconsolidated gross assets of the Guarantor (or, as applicable, the Issuer) as shown in the latest published audited balance sheet of the Guarantor (or, as applicable, the Issuer), but adjusted for contingencies and subsequent events, all in such manner as the Directors of the Guarantor (or, as applicable, the Issuer) may determine;

"**Automatic Conversion**" means the irrevocable and automatic (without the need for the consent of

Noteholders or the Trustee) release, with effect immediately following the determination that a Trigger Event has occurred (unless the PRA has waived such Automatic Conversion in the circumstances set out in Condition 7(*a*)), by the Noteholders of all of the Issuer's obligations under the Notes and of all of the Guarantor's obligations under the Guarantee including, without limitation, the release of the full principal amount of each Note and all Guaranteed Amounts on a permanent basis in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depositary on behalf of the Noteholders (or to such other relevant recipient as contemplated in Condition 7) at the then prevailing Conversion Price, the cancellation of all accrued and unpaid interest (whether or not then due) (and all Guaranteed Amounts in respect thereof) and any other amounts (if any) arising under or in connection with the Notes, the Guarantee and/or the Trust Deed (other than amounts to which the Trustee is entitled in its personal capacity under the Trust Deed);

"**Available Funds**" means, subject as otherwise defined or provided for with respect to available distributable items from time to time in the Relevant Rules, with respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

(a) the Distributable Amount of the Guarantor, calculated on an unconsolidated basis, as at the last day of the then most recently ended financial year of the Guarantor; plus

(b) the interim profits (if any) of the Guarantor, calculated on an unconsolidated basis, for the period from the Guarantor's then latest financial year end to (but excluding) such Interest Payment Date; less

(c) the interim net loss (if any) of the Guarantor, calculated on an unconsolidated basis, for the period from the Guarantor's then latest financial year end to (but excluding) such Interest Payment Date,

all as calculated and determined by the Guarantor in accordance with the Relevant Rules;

"**Business Day**" means (i) except for the purposes of Conditions 2 and 8(*d*), a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in London, (ii) for the purposes of Condition 2, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in the city in which the specified office of the Registrar or Transfer Agent with whom a Certificate is deposited in connection with a transfer is located and (iii) for the purpose of Condition 8(*d*), a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in London and, in the case of surrender of a Certificate, in the place in which the Certificate is surrendered;

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

a "**Capital Disqualification Event**" shall be deemed to have occurred if at any time as a result of any change to the Relevant Rules (or change to the interpretation of the Relevant Rules by any court or authority entitled to do so) the whole or any part of the principal amount of the Notes is excluded from counting as Tier 1 Capital for the purposes of the Guarantor and/or the Insurance Group, whether on a solo, group or consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital;

"**Certificate**" has the meaning given in Condition 1(*a*);

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

"**Conversion Price**" means £1,000 per Conversion Share, subject to adjustment in accordance with Condition 7(d);

"**Conversion Shares**" means the voting ordinary shares of the Issuer, having (at the Issue Date) a nominal value of £0.10 each, to be issued to the Conversion Shares Depositary (or to the relevant recipient in accordance with these Conditions) following an Automatic Conversion, which ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of the Notes outstanding immediately prior to the Automatic Conversion by the Conversion Price on the date of Automatic Conversion rounded down, if necessary, to the nearest whole number of ordinary shares;

The total paid-up share capital of the Issuer as at the Issue Date will be £1,000,000. If an Automatic Conversion occurs, the Conversion Shares issued at the initial Conversion Price would represent 25 per cent. or less of the total issued ordinary share capital of the Issuer.

"**Conversion Shares Delivery Date**" means the date specified in the Trigger Event Notice as the date on which the Conversion Shares shall be delivered to the Conversion Shares Depositary (or to the relevant recipient in accordance with these Conditions), which is expected to be not more than 30 Business Days following Automatic Conversion;

"**Conversion Shares Depositary**" means a financial institution, trust company, depositary entity, nominee entity or similar entity (which in each such case is wholly independent of the Issuer and the Guarantor) to be appointed by the Issuer on or prior to any date when a function ascribed to the Conversion Shares Depositary in these Conditions is required to be performed, to perform such functions and which as a condition of such appointment, will be required to undertake, for the benefit of the Noteholders, to hold the Conversion Shares on behalf of such Noteholders in one or more segregated accounts and, in any event, on terms consistent with these Conditions;

"**Directors**" means the directors of the Issuer, the Guarantor or the Substituted Obligor (as the case may be) from time to time;

"**Distributable Amount**" means profits available for distribution, as determined in accordance with sections 830 and 833A of the Companies Act 2006, or (if the Guarantor is substituted for a Substituted Obligor which is not a United Kingdom company) the relevant provision under the law of the jurisdiction of incorporation of such Substituted Obligor or (in each case) any equivalent or replacement provision;

"**EUWA**" means the European Union (Withdrawal) Act 2018;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Financial Services Compensation Scheme**" means the UK compensation scheme, established under the FSMA, which commenced operations on 1 December 2001 as a fund of last resort to protect deposits and certain other obligations, within prescribed limits, of customers of authorised financial services firms which are unable, or likely to become unable, to meet their obligations in respect thereof, or any successor or replacement scheme;

"**First Reset Date**" means 25 November 2033;

"**FSMA**" means the Financial Services and Markets Act 2000 (as amended or re-enacted from time to time);

"**Further Notes**" means any notes issued after the Issue Date which are consolidated and form a single series with the Notes pursuant to Condition 19;

"**Group Insurance Undertaking**" means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Insurance Group pursuant to the Relevant Rules;

"**Guarantee**" has the meaning given in Condition 4(*a*);

"**Guaranteed Amounts**" has the meaning given in Condition 4(*a*);

"**Guarantor**" has the meaning given in the preamble to these Conditions;

"**Guarantor Winding-Up**" has the meaning given in Condition 4(*b*);

"**Independent Adviser**" means an independent financial institution of international repute or other independent adviser with appropriate expertise and experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"**Initial Interest Rate**" has the meaning given in Condition 5(*c*);

"**Insolvent Insurer Winding-up**" means:

(a) the winding-up of any Group Insurance Undertaking; or

(b) the appointment of an administrator of any Group Insurance Undertaking,

in each case, where the Guarantor (acting reasonably) has determined that the assets of that Group Insurance Undertaking may or will be insufficient to meet all the claims of the policyholders pursuant to a contract of insurance of that Group Insurance Undertaking which is in winding-up or administration (and for these purposes, the claims of policyholders pursuant to a contract of insurance shall include all amounts to which policyholders are entitled under applicable legislation or rules relating to the winding-up of insurance undertakings to reflect any right to receive or expectation of receiving benefits which policyholders may have);

"**Insurance Group**" means the Guarantor (or any successor in business) and its Subsidiaries;

"**insurance undertaking**" has the meaning given to it in the Relevant Rules;

"**Interest Calculation Agent**" means the interest calculation agent to be appointed and maintained by the Issuer in the circumstances set out in Condition 5(*f*);

"**Interest Payment**" means, in respect of any Interest Payment Date, the amount of interest which is (or would, but for cancellation in accordance with these Conditions, be) due and payable on such Interest Payment Date;

"**Interest Payment Date**" means 25 May and 25 November in each year from (and including) 25 November 2023;

"**Interest Period**" means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date;

"**Interest Rate**" means the Initial Interest Rate or the relevant Reset Rate, as applicable;

"**Issue Date**" means 25 May 2023;

"**Issuer**" has the meaning given in the preamble to these Conditions;

"**Issuer Senior Creditors**" means:

(a) creditors of the Issuer who are unsubordinated creditors of the Issuer; and

(b) other creditors of the Issuer whose claims are, or are expressed to be, subordinated to the claims of other creditors of the Issuer (including creditors of the Issuer whose claims constitute, or would but for any applicable limitation on the amount of any such capital constitute, Tier 2 Capital or Tier 3 Capital), other than those whose claims constitute, or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 Capital or whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, any claims of the Noteholders (or the Trustee on their behalf) under the Notes;

The Issuer is a special purpose vehicle. As at the Issue Date, the Issuer does not have any creditors other than the Noteholders and does not intend to incur any indebtedness other than the Notes.

"**Issuer Winding-Up**" means either (i) at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution (a) have previously been approved in writing by the Trustee or by an Extraordinary Resolution and (b) do not provide that the Notes or any amount in respect thereof shall thereby become payable); or (ii) an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend or other distribution of the assets of the Issuer;

"**Junior Obligations**" has the meaning given in Condition 4(*b*);

"**Level 2 Regulations**" means the Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing the Solvency II Directive, as amended by Commission Delegated Regulation (EU) 2019/981 of 8 March 2019;

"**Liabilities**" means the unconsolidated gross liabilities of the Guarantor (or, as applicable, the Issuer) as shown in the latest published audited balance sheet of the Guarantor (or, as applicable, the Issuer), but adjusted for contingent liabilities and for subsequent events, all in such manner as the Directors of the Guarantor (or, as applicable, the Issuer) may determine;

"**London Stock Exchange**" means the London Stock Exchange plc;

"**Margin**" means 6.344 per cent.;

"**Mandatory Interest Cancellation Event**" has the meaning given in Condition 6(b);

"**Minimum Capital Requirement**" means the Minimum Capital Requirement or the minimum group Solvency Capital Requirement (as applicable) of the Guarantor and/or the Insurance Group or any other minimum capital requirement, group minimum capital requirement or other equivalent capital requirement applicable to the Guarantor and/or the Insurance Group howsoever described in the Relevant Rules;

"**Noteholder**" has the meaning given in Condition 1(*b*);

"**Notes**" has the meaning given in the preamble to these Conditions;

"**Original Territory**" has the meaning given in Condition 15;

"**Own Fund Items**" means any own fund item referred to in the Relevant Rules;

"**Parity Creditors**" means creditors of the Guarantor whose claims (including claims in respect of any guarantee given by the Guarantor) rank, or are expressed to rank, *pari passu* with the claims of the Noteholders (or the Trustee on their behalf) under the Guarantee, including holders of Parity Obligations;

"**Parity Obligations**" has the meaning given in Condition 4(*b*);

"**Paying Agents**" has the meaning given in the preamble to these Conditions;

"**policyholder**" means, in respect of a contract of insurance, each policyholder specified in that contract of insurance and any other beneficiaries of that contract of insurance, all as determined in accordance with that contract of insurance and applicable law and regulation;

"**PPFM**" means each set of Principles and Practices of Financial Management of the Guarantor as applicable in the context setting out how the Guarantor conducts its with-profits business in relation to specified groups of its with-profits policyholders, as amended and updated from time to time;

"**PRA**" means the Bank of England acting as the United Kingdom Prudential Regulation Authority through its Prudential Regulation Committee or such successor or other authority having primary supervisory authority with respect to prudential matters in relation to the Guarantor and/or the Insurance Group;

"**Principal Paying Agent**" has the meaning given in the preamble to these Conditions;

"**ProfitShare Arrangements**" means the declaration of a discretionary allocation in favour of certain eligible with-profits policyholders and/or unit-linked policyholders of the Guarantor which allows each such eligible policyholder in its capacity as such to participate in the trading results of the Insurance Group or any other miscellaneous surplus arising in the Guarantor which declaration (i) is at the discretion of the board of directors of the Guarantor (or a committee thereof) having assessed *inter alia* the capital required to (a) satisfy the rights and expectations of with-profits policyholders to receive Asset Share-based distributions in respect of their policies and to meet the Guarantor's obligations to treat its customers fairly, (b) satisfy the Guarantor's obligations to its other creditors and (c) support the conduct of the Guarantor's business and (ii) is in addition to, and unconnected with, the rights and expectations of with-profits policyholders to receive an Asset Share-based distribution or allocation declared in respect of a with-profits policy as contemplated in the relevant PPFM of the Guarantor and/or any other rights of a policyholder to receive a contractual benefit under such policyholder's policy in the ordinary course of business;

"**Qualifying Securities**" means securities issued directly or indirectly by the Guarantor that:

(a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Guarantor in consultation with an investment bank, financial institution or other independent adviser of recognised standing, and provided that a certification to such effect (including as to the consultation with the investment bank, financial institution or other independent adviser and in respect of the matters specified in (b) below) signed by two Directors of the Guarantor shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof) prior to the amendment or issue (as the case may be) of the relevant securities);

(b) (subject to (a) above) shall (1) contain terms which comply with then current requirements of the Relevant Rules in relation to Tier 1 Capital; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same Interest Payment Dates; (3) if directly issued by the Guarantor rank or, if indirectly issued by the Guarantor benefit from a guarantee from the Guarantor which ranks, at least *pari passu* with the ranking of the Guarantee; (4) preserve the obligations of (including obligations arising from the exercise of any rights of) the Issuer and the Guarantor as to redemption of the Notes, including as to the timing of, and amounts payable upon redemption of the Notes; (5) contain terms providing for the cancellation and/or suspension of payments of interest or principal (including, without limitation, conversion of principal into equity or automatic write down of principal) only if such terms are not materially less favourable to an investor than the cancellation and/or suspension (including, where applicable, conversion and automatic write down) provisions, respectively, contained in the terms of the Notes; and (6) preserve any existing rights under these Conditions to any accrued interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders but not been paid (but without prejudice to any right of the Issuer subsequently to cancel any such rights so preserved in accordance with the terms of the Qualifying Securities); and

(c) are listed or admitted to trading on the London Stock Exchange's International Securities Market or such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer and approved by the Trustee;

"**Rating Agency**" means S&P Global Ratings Europe Limited or Moody's Investors Service Limited or, in either case, any affiliate thereof or successor thereto;

"**Rating Agency Compliant Securities**" means securities issued directly or indirectly by the Guarantor that are:

(a) Qualifying Securities; and

(b) assigned substantially the same "equity credit" (or such other nomenclature as may be used by the relevant Rating Agency or Subsequent Rating Agency (if applicable) from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) or, at the absolute discretion of the Guarantor, a lower "equity credit" (provided such "equity credit" is still higher than the "equity credit" assigned to the Notes after the occurrence of the Ratings Methodology Event) as that which was (A) first assigned by the Rating Agency or Subsequent Rating Agency to the Notes (i) in the case of equity credit assigned by a Rating Agency, on or around the Issue Date or (ii) in the case of equity credit assigned by a Subsequent Rating Agency, on the date that such equity credit was first assigned by such Subsequent Rating Agency or (B) (if later) assigned by that Rating Agency or Subsequent Rating Agency as at (or in connection with an issue of Further Notes on) the Relevant Issue Date; and provided that a certification to such effect signed by two Directors of the Guarantor shall have been delivered to the Trustee prior to the issue of the relevant securities (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof);

a "**Ratings Methodology Event**" will be deemed to occur upon a change in methodology of a Rating Agency or a Subsequent Rating Agency (or in the interpretation of such methodology) as a result of which the "equity credit" (or such other nomenclature as may be used by that Rating Agency or that Subsequent Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) assigned by that Rating Agency or that Subsequent Rating Agency to the Notes is (or will be), as notified by that Rating Agency or that Subsequent Rating Agency to the Issuer or the Guarantor or as published by that Rating Agency or that Subsequent Rating Agency, reduced when compared to (i) the "equity credit" first assigned by that Rating Agency or Subsequent Rating Agency to the Notes (whether on or around the Issue Date or thereafter) or (ii) (if this is lower) the lowest "equity credit" assigned by such Rating Agency or Subsequent Rating Agency to the Notes at the time of, or in connection with, any issue of Further Notes (where, in each case, any such "equity credit" was assigned following solicitation by, or with the co-operation of, the Issuer or the Guarantor);

"**Recognised Stock Exchange**" means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 (as amended or re-enacted from time to time);

"**Register**" has the meaning given in Condition 1(*a*);

"**Registrar**" has the meaning given in the preamble to these Conditions;

"**Regulatory Clearance Condition**" means, in respect of any proposed act on the part of the Issuer or the Guarantor (as the case may be), the PRA having consented to, or the PRA having confirmed its non-objection in writing to, such act (in any case only if and to the extent such consent or non-objection is required by the Relevant Rules at the relevant time);

"**Relevant Date**" has the meaning given in Condition 10(*a*);

"**Relevant Issue Date**" means, at any time, the later of (i) the Issue Date and (ii) if any further tranche(s) of the Notes has or have been issued pursuant to Condition 19 and consolidated to form a single series with the Notes, the date of issue of the then-latest such tranche of Notes as at such time;

"**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 or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and/or interest on the Notes and/or any Guaranteed Amounts in respect thereof;

"**Relevant Rules**" means, at any time, any legislation, rules, regulations or published regulatory expectations (whether having the force of law or otherwise) in the jurisdiction of the PRA and applicable to the Guarantor or the Insurance Group (including, without limitation and to the extent then applicable as aforesaid, (i) Solvency II and any legislation, rules or regulations implementing Solvency II and (ii) for the purposes of determining the Available Funds from time to time, the Companies Act 2006) and any relevant prudential rules for insurers applied by the PRA and any amendment, supplement or replacement of either thereof from time to time relating to the characteristics, features or criteria of own funds or capital resources, and references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Relevant Rules shall be construed in the context of the Relevant Rules as they apply to Tier 1 Capital and on the basis that the Notes are intended to continue to have the characteristics of Tier 1 Capital of the Guarantor and the Insurance Group under the Relevant Rules (other than as set out in Condition 6(*f*)) notwithstanding the occurrence of a Capital Disqualification Event;

"**Reset Date**" means the First Reset Date and each fifth anniversary of the First Reset Date thereafter;

"**Reset Period**" means the period from (and including) the First Reset Date to (but excluding) the next succeeding Reset Date and each successive period from (and including) a Reset Date to (but excluding) the next following Reset Date;

"**Reset Rate**" means, with respect to a Reset Period, the Reset Reference Rate in respect of that Reset Period, plus the Margin;

"**Reset Reference Banks**" means five brokers of gilts and/or gilt-edged market makers selected by the Issuer or the Guarantor;

"**Reset Reference Rate**" means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to three decimal places, with 0.0005 rounded up) determined by the Interest Calculation Agent on the basis of the 5-year Gilt Yield Quotations provided by the Reset Reference Banks at approximately 11.00 a.m. (London time) on the date falling two Business Days prior to the Reset Date on which such Reset Period commences. Such quotations shall be obtained by or on behalf of the Issuer or the Guarantor and provided to the Interest Calculation Agent. If at least four quotations are provided, the Reset Reference Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the relevant Reset Reference Rate determined in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 3.781 per cent., where:

> "**5-year Gilt Yield Quotation**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank; and
>
> "**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security customarily used in the pricing of new issues with a similar tenor having a maturity date on or about the last day of such Reset Period as the Issuer or the Guarantor (on the advice of an investment bank of international repute or independent adviser of recognised standing and appropriate expertise) may determine to be appropriate following any guidance published by the International Capital Market Association at the relevant time (if any);

"**Senior Creditors**" means:

(a) any policyholders of the Guarantor and, for the avoidance of doubt, the claims of Senior Creditors of the Guarantor who are policyholders shall include (i) all amounts to which any such policyholder would be entitled in its capacity as policyholder under any applicable legislation or rules relating to a winding-up of companies limited by guarantee and/or of insurers generally to reflect any right to receive, or expectation of receiving, policyholder benefits which policyholders may have (including, without limitation, such expectations of policyholders to receive discretionary benefits under with-profits policies as are consistent with the relevant PPFM of the Guarantor and its obligations to treat customers fairly) and (ii) all amounts which the board of directors of the Guarantor (or a committee thereof) has resolved prior to a Guarantor Winding-Up shall be distributed to policyholders of the Guarantor under the ProfitShare Arrangements but which amounts have not yet been paid or allocated to the relevant policyholders at the time of such Guarantor Winding-Up but excluding therefrom any future distributions under the ProfitShare Arrangements that have not been declared at the time of such Guarantor Winding-Up;

(b) creditors of the Guarantor (other than policyholders) who are unsubordinated creditors of the Guarantor (including in respect of any unsubordinated guarantee given by the Guarantor); and

(c) other creditors of the Guarantor whose claims are, or are expressed to be, subordinated to the claims of other creditors of the Guarantor (including creditors of the Guarantor whose claims constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Guarantor in respect of any obligation of any other person which constitute), or would but for any applicable limitation on the amount of any such capital constitute, Tier 2 Capital or Tier 3 Capital) (other than those whose claims constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Guarantor in respect of any obligation of any other person which constitute), or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 Capital or whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, any claims of the Noteholders (or the Trustee on their behalf) under the Guarantee);

"**Solvency II**" means the United Kingdom transposition of the Solvency II Directive and the Level 2 Regulations, as they each form part of retained EU law (as defined in the EUWA), as amended from time to time and any additional measures adopted to give effect thereto (whether implemented by way of regulation, guidelines or otherwise);

"**Solvency II Directive**" means Directive 2009/138/EC of the European Parliament and of the Council of the European Union (as amended) on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended);

"**Solvency Capital Requirement**" means the Solvency Capital Requirement or the group Solvency Capital Requirement (as applicable) of the Guarantor and/or the Insurance Group referred to in, or any other equivalent capital requirement (other than the Minimum Capital Requirement) applicable to the Guarantor and/or the Insurance Group howsoever described in, the Relevant Rules;

"**Solvency Condition**" has the meaning given in Condition 3(*c*);

"**sterling**" or "**£**" means the lawful currency of the United Kingdom from time to time;

"**Subsequent Rating Agency**" means Fitch Ratings Limited or any other credit rating agency (other than a Rating Agency) or, in either case, any affiliate thereof or successor thereto that assigns "equity credit" (or such other nomenclature as may be used by such rating agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) to the Notes after the Issue Date;

"**Subsidiary**" has the meaning given to that term under section 1159 of the Companies Act;

"**Substituted Obligor**" has the meaning given in Condition 15;

"**Substituted Territory**" has the meaning given in Condition 15;

"**Successor**" has the meaning given in Condition 17;

"**successor in business**" has the meaning, with respect to the Issuer or the Guarantor (as the case may be), given in the Trust Deed;

a "**Tax Event**" is deemed to have occurred if, as a result of any change in (or proposed change in), or amendment to (or proposed amendment to), the laws or regulations of a Relevant Jurisdiction (including any treaty to which such Relevant Jurisdiction is a party), or any change (or proposed change) in the official or generally published interpretation or application of the laws or regulations of a Relevant Jurisdiction (including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously official or generally accepted position in relation to similar transactions), which change or amendment becomes (or would become) effective on or after the Relevant Issue Date:

(a) on the next Interest Payment Date, the Issuer in making any Interest Payment on the Notes will or would be required to pay Additional Amounts as provided or referred to in Condition 10;

(b) on the next Interest Payment Date, the Guarantor in making payment of Guaranteed Amounts will or would be required to pay Additional Amounts as provided or referred to in Condition 10;

(c) the payment of interest (or any Guaranteed Amounts in respect of interest) would be treated as a "distribution" for United Kingdom corporation tax purposes or the Issuer or the Guarantor would otherwise not be able to claim a deduction from taxable profits for United Kingdom corporation tax purposes for interest (or any Guaranteed Amounts in respect of interest) payable on the Notes or for a material part of such interest (or Guaranteed Amounts in respect of interest);

(d) where (A) in respect of the payment of interest (or any Guaranteed Amounts in respect of interest), the Issuer or the Guarantor, as the case may be, incurs a loss or a non-trading loan relationship deficit for United Kingdom corporation tax purposes in respect of such interest or Guaranteed Amounts in relation to an accounting period; and (B) other companies with which the Issuer or the Guarantor (as the case may be) is grouped for applicable United Kingdom tax purposes have profits chargeable to United Kingdom corporation tax in respect of that accounting period but such loss or deficit is not capable of being surrendered to offset such profits chargeable to United Kingdom corporation tax of such other companies for United Kingdom corporation 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);

(e) the Issuer or the Guarantor would be subject to a tax liability in a Relevant Jurisdiction if a Trigger Event or an Automatic Conversion were to occur, or such Trigger Event or Automatic Conversion would result in a deemed receipt of income or profit for the Issuer or the Guarantor that would be subject to tax in a Relevant Jurisdiction; or

(f) the Issuer or the Guarantor suffers or would suffer any other material adverse tax consequence in connection with the Notes or the Guarantee in a Relevant Jurisdiction,

and the effect of the foregoing cannot be avoided by the Issuer or, as the case may be, the Guarantor by taking reasonable measures available to it;

"**Tier 1 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time;

"**Tier 1 Own Funds**" means subordinated notes or other instruments or interests which constitute Tier 1 Capital for the purposes of the Guarantor and/or the Insurance Group, whether on a solo, group or consolidated basis;

"**Tier 2 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time;

"**Tier 3 Capital**" has the meaning given to it for the purposes of the Relevant Rules from time to time;

a "**Trigger Event**" shall occur if at any time:

(a) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement;

(b) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or

(c) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed;

"**Trigger Event Notice**" means the notice referred to as such in Condition 7(*a*) which shall be given by the Issuer or the Guarantor to the Noteholders, in accordance with Condition 14, the Trustee, the Registrar, the Principal Paying Agent and the PRA, and which shall state with reasonable detail (i) the nature of the relevant Trigger Event, (ii) the basis of its calculation, (iii) the prevailing Conversion Price, (iv) the date of the relevant Automatic Conversion (which shall be immediately following the determination that the relevant Trigger Event has occurred and which may be a date prior to the date of the Trigger Event Notice), (v) the relevant Conversion Shares Delivery Date (which may be a date prior to, on or following the date of the Trigger Event Notice), (vi) details of the Conversion Shares Depositary and (vii) details of how to give notices required or permitted by these Conditions to the Conversion Shares Depositary;

"**Trust Deed**" has the meaning given in the preamble to these Conditions; and

"**Trustee**" has the meaning given in the preamble to these Conditions.

Schedule 3
Provisions for Meetings of Noteholders

Interpretation

1 In this Schedule:

1.1 references to a "**meeting**" are to a physical meeting, a virtual meeting or a hybrid meeting of Noteholders and include, unless the context otherwise requires, any adjournment thereof;

1.2 "**agent**" means a proxy for, or a representative of, a Noteholder;

1.3 "**Alternative Clearing System**" has the meaning given in the Global Certificate;

1.4 "**Electronic Consent**" has the meaning set out in Paragraph 21;

1.5 "**electronic platform**" means any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems;

1.6 "**Extraordinary Resolution**" means a resolution passed (A) at a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent. of the votes cast, (B) by a Written Resolution or (C) by an Electronic Consent;

1.7 references to "**persons representing a proportion of the Notes**" are to Noteholders or agents holding or representing in the aggregate at least that proportion in principal amount of the Notes for the time being outstanding;

1.8 "**hybrid meeting**" means a combined physical meeting and virtual meeting convened pursuant to this Schedule by the Issuer, or the Guarantor or the Trustee and which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform;

1.9 "**meeting**" means a meeting convened pursuant to this Schedule by the Issuer, or the Guarantor or the Trustee and whether held as a physical meeting or as a virtual meeting or a hybrid meeting;

1.10 "**physical meeting**" means any meeting attended by persons present in person at the physical location specified in the notice of such meeting;

1.11 "**present**" means physically present in person at a physical meeting or a hybrid meeting, or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform;

1.12 "**virtual meeting**" means any meeting held via an electronic platform;

1.13 "**Written Resolution**" means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Notes outstanding; and

1.14 where Notes are held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, references herein to the "**deposit**" or "**release**" or "**surrender**" of Notes shall be construed in accordance with the usual practices (including in relation to the blocking of the relevant account) of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System.

Appointment of Proxy or Representative

2 A proxy or representative may be appointed in the following circumstances:

2.1 A holder of Notes 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 other Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint one or more persons (each a "**proxy**") to act on their or its behalf in connection with any meeting of the Noteholders and any adjourned such meeting.

2.2 Any holder of Notes which is a corporation may, by delivering to any Agent not later than 48 hours before the time fixed for any meeting a resolution of its directors or other governing body, authorise any person to act as its representative (a "**representative**") in connection with any meeting of the Noteholders and any adjourned such meeting.

2.3 If the holder of a Note is an Alternative Clearing System or a nominee of an Alternative Clearing System and the rules or procedures of such Alternative Clearing System so require, such nominee or Alternative Clearing System may appoint proxies in accordance with, and in the form used, by such Alternative Clearing System as part of its usual procedures from time to time in relation to meetings of Noteholders. Any proxy so appointed may, by an instrument in writing in the English language in the form available from the specified office of the Registrar, or in such other form as may have been approved by the Trustee at least seven days before the date fixed for a meeting, signed by the proxy 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 Registrar not later than 48 hours before the time fixed for any meeting, appoint any person or the Principal Paying Agent or any employee(s) of it nominated by it (the "**sub-proxy**") to act on their or its behalf in connection with any meeting or proposed meeting of Noteholders. All references to "**proxy**" or "**proxies**" in this schedule other than in this Paragraph 2.3 shall be read so as to include references to "**sub-proxy**" or "**sub-proxies**".

2.4 For so long as the Notes are eligible for settlement through an Alternative Clearing System's book-entry settlement system and the rules or procedures of such Alternative Clearing System so require, the Issuer and/or the Guarantor may fix a record date for the purpose of any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting which shall be specified in the notice convening the meeting.

2.5 Any proxy appointed pursuant to Paragraph 2.1 or 2.3 above or representative appointed pursuant to Paragraph 2.2 above shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Noteholders, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder or owner, respectively.

Powers of meetings

3 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by this Trust Deed, have power by Extraordinary Resolution:

3.1 to sanction any proposal by the Issuer, the Guarantor or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or the Guarantor, whether or not those rights arise under this Trust Deed;

3.2 to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other entity (but, for the avoidance of doubt, nothing in this paragraph shall be interpreted to mean that consent or approval of the Noteholders is required for (i) the conversion of the Notes into Conversion Shares pursuant to an Automatic Conversion or (ii) any substitution of the Notes or in the case of any variation of the Conditions and/or the Trust Deed required to be made in connection with the substitution or variation of the Notes pursuant to Condition 9(g), Condition 9(h), Condition 9(i) or Condition 9(j));

3.3 to assent to any modification of this Trust Deed or the Notes proposed by the Issuer, the Guarantor or the Trustee;

3.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;

3.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;

3.6 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

3.7 to waive any breach or authorise any proposed breach by the Issuer or the Guarantor of its obligations under or in respect of this Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;

3.8 to approve a proposed new Trustee and to remove a Trustee;

3.9 to approve the substitution of any entity for the Issuer or the Guarantor (or any previous substitute) as principal debtor under this Trust Deed otherwise than in accordance with Condition 15 or Condition 17; and

3.10 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Notes,

provided that the special quorum provisions in Paragraph 11 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of Paragraph 3.2 or 3.8 or for the purpose of making a modification to this Trust Deed or the Notes which would have the effect of;

(A) modifying any date of optional redemption on the Notes or the dates on which interest is payable on them;

(B) reducing or cancelling the principal amount of, or interest on, the Notes or any Guaranteed Amounts in respect thereof;

(C) amending the status and subordination of the Notes and the status and subordination of the Guarantee unless made pursuant to Clause 5.14;

(D) changing the currency of payment of the Notes;

(E) modifying or cancelling the Guarantee (unless made pursuant to Clause 5.14);

(F) modifying the provisions in this schedule concerning the quorum required at a meeting or the majority required to pass an Extraordinary Resolution;

(G) varying the definition of Trigger Event; or

(H) amending this proviso,

provided that, for the avoidance of doubt, nothing in this paragraph 3.10 shall be interpreted to mean that consent or approval of the Noteholders is required for any cancellation of interest or any Guaranteed Amounts in respect thereof, or suspension of principal or any Guaranteed Amounts in respect thereof, in circumstances in which the Issuer or the Guarantor is entitled or required to do so under the Conditions.

Convening a meeting

4 The Issuer, the Guarantor or the Trustee may at any time convene a meeting. If it receives a written request by Noteholders holding at least 10 per cent. in principal amount of the Notes for the time being outstanding and is indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses, the Trustee shall convene a meeting. Every physical meeting shall be held at a time and place approved by the Trustee. Every virtual meeting shall be held via an electronic platform and at a time approved by the Trustee. Every hybrid meeting shall be held at a time and place and via an electronic platform approved by the Trustee.

Notice of Meeting

5 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Noteholders (the "**Notice of the Meeting**"). A copy of the Notice of the Meeting shall be given by the party convening the meeting to the other parties. The Notice of the Meeting shall specify the day and time of the meeting and manner in which it is to be held, and if a physical meeting or hybrid meeting is to be held, the place of the meeting and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives and the details of the time limits applicable. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as are required under paragraph 23.

Cancellation of meeting

6 A meeting that has been validly convened in accordance with Paragraph 4 above, may be cancelled by the person who convened such meeting by giving at least seven days' notice (exclusive of the day on which the notice is given or deemed to be given and of the day of the meeting) to the Noteholders (with a copy to the Trustee where such meeting was convened by the Issuer or the Guarantor, or to the Issuer and the Guarantor where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this Paragraph 6 shall be deemed not to have been convened.

Chairperson

7 The chairperson of a meeting shall be such person as the Trustee may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes from the time fixed for the meeting, the Noteholders or agents present shall choose one of their number to be chairperson, failing which the Issuer and/or the Guarantor may appoint a chairperson.

8 The chairperson may, but need not, be a Noteholder or agent. The chairperson of an adjourned meeting need not be the same person as the chairperson of the original meeting.

Attendance

9 The following may attend and speak at a meeting:

9.1 Noteholders and their agents;

9.2 the chairperson;

9.3 the Issuer, the Guarantor and the Trustee (through their respective representatives) and their respective financial and legal advisers; and

9.4 any other person approved by the meeting or the Trustee.

No-one else may attend, participate and/or speak.

Quorum and Adjournment

10 No business (except choosing a chairperson) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders or if the Issuer, the Guarantor and the Trustee agree, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place or manner in which it is to be held as the chairperson may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

11 Two or more Noteholders or agents present at the meeting shall be a quorum:

11.1 in the cases marked "**No minimum proportion**" in the table below, whatever the proportion of the Notes which they represent; and

11.2 in any other case, only if they represent the proportion of the Notes shown by the table below,

Column 1	**Column 2**	**Column 3**
Purpose of meeting	Any meeting except one referred to in column 3	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any other Extraordinary Resolution	A clear majority	No minimum proportion
Any other purpose	10 per cent.	No minimum proportion

provided that, so long as at least the relevant proportion set out in the table above of the aggregate principal amount of the outstanding Notes is represented, a single proxy or representative representing the holder or holders thereof shall be deemed to be two Noteholders for the purposes of forming the quorum.

12 The chairperson may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place and alternate manner. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this Paragraph 12 or Paragraphs 23-33.

13 At least 10 days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

Voting

14 At a meeting which is held only as a physical meeting, each question submitted to such meeting shall be decided by a poll. The poll shall be taken in such manner as the chairperson directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken.

15 A poll demanded on the election of a chairperson or on a question of adjournment shall be taken at once.

16 On a poll, every such person has one vote in respect of each £1,000 in principal amount of Notes so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

17 In case of equality of votes, the chairperson shall have a casting vote in addition to any other votes which he may have.

18 At a virtual meeting or a hybrid meeting, a resolution put to the vote of the meeting shall be decided on a poll in accordance with paragraph 27, and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

Effect and Publication of an Extraordinary Resolution

19 An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer or the Guarantor shall give notice of the passing of an Extraordinary Resolution to Noteholders within 14 days but failure to do so shall not invalidate the resolution.

Minutes

20 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairperson of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Written Resolutions and Electronic Consent

21 Subject to this Paragraph 21, a Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

For so long as the Notes are in the form of a Global Certificate registered in the name of any nominee for one or more of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, then, in respect of any resolution proposed by the Issuer, the Guarantor or the Trustee:

21.1 *Electronic Consent:* where the terms of the resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) as provided in (A) and/or (B) below, each of the Issuer, the

Guarantor and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the Relevant Date (as defined in (A) below). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantor or the Trustee shall be liable or responsible to anyone for such reliance.

(A) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

(B) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in (A) above. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer, the Guarantor or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with Paragraph 4 above, unless that meeting is or shall be cancelled or dissolved; and

21.2 *Written Resolution:* where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, (A) by accountholders in the clearing system(s) with entitlements to such Global Certificate and/or (B) 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, the Guarantor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (A) above, Euroclear, Clearstream, Luxembourg or any other relevant Alternative Clearing System (the "**relevant clearing system**") and, in the case of (B) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (B) above. Any resolution 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 EasyWay or Clearstream, Luxembourg's Xact Web Portal) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantor or 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.

A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

Trustee's Power to Prescribe Regulations

22 Subject to all other provisions in this Trust Deed, the Trustee may, without the consent of the Noteholders, prescribe or approve such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines or as proposed by the Issuer or Guarantor including (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so.

Additional provisions applicable to virtual and/or hybrid meetings

23 The Issuer, the Guarantor (in each case, with the Trustee's prior approval) or the Trustee in its sole discretion may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall provide details of the means for Noteholders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.

24 The Issuer, or the Guarantor or the chairperson (in each case, with the Trustee's prior approval) or the Trustee in its sole discretion may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform (in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Trustee may approve).

25 All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraphs 15-17 above (inclusive).

26 Persons seeking to attend, participate in, speak at or join a virtual meeting or a hybrid meeting via the electronic platform, shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.

27 In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any two or more members attending it are in the same physical location as each other or how they are able to communicate with each other.

28 Two or more persons who are not in the same physical location as each other attend a virtual meeting or a hybrid meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting, they are (or would be) able to exercise them.

29 The chairperson of the meeting reserves the right to take such steps as the chairperson shall determine in its absolute discretion to avoid or minimise disruption at the meeting, which steps may include (without limitation), in the case of a virtual meeting or a hybrid meeting, muting the electronic connection to the meeting of the person causing such disruption for such period of time as the chairperson may determine.[2]

30 The Issuer or the Guarantor (in each case, with the Trustee's prior approval) or the Trustee in its sole discretion may make whatever arrangements they consider appropriate to enable those attending a virtual meeting or a hybrid meeting to exercise their rights to speak or vote at it.

31 A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.

32 A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:

32.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

32.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting who are entitled to vote at such meeting.

33 The Trustee shall not be responsible or liable to the Issuer, or the Guarantor or any other person for the security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting.

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[2] In circumstances where there is a persistent speaker or questioner who is disruptive, the chair may, having given due consideration to the points or questions raised, as a last resort, put that attendee's line on mute so that the business of the meeting may proceed whilst allowing them to continue to be part of the meeting and to vote at the relevant stage in the meeting.

In witness whereof this Trust Deed has been executed as a deed and delivered on the date stated at the beginning.

Executed as a Deed by
RL FINANCE BONDS NO. 6 PLC

acting by its Director Robert Ferguson

in the presence of a witness

By: DocuSigned by: Robert Ferguson 9F411CE3C18D44A... ....

Director

Witness Name: John-Green Odada

Witness Signature: DocuSigned by: John-Green Odada EA95799C8DE549E... ....

Witness Address: 55 Gracechurch Street

London

EC3V 0RL

Executed as a Deed by
THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED

acting by its Director Daniel Cazeaux

in the presence of a witness

By: DocuSigned by: AB4F17419B034EF... ....

Director

Witness Name: John-Green Odada

Witness Signature: DocuSigned by: John-Green Odada EA95799C8DE549E... ....

Witness Address: 55 Gracechurch Street

London

EC3V 0RL

Executed as a Deed by
HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

By:

Name: Christopher Eastlake
Attorney

Witness: H Eastlake
Hannah Eastlake

Address: Edenbridge,
Kent,
United Kingdom