

EXECUTION VERSION

CERTIFICATE

BANK OF IRELAND (UK) PLC

(incorporated in England and Wales with limited liability with registered number 7022885)

£150,000,000

Subordinated Perpetual Contingent Conversion Additional Tier 1 Capital Securities

Certificate No. 1

This Certificate certifies that THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND (the “**Registered Securityholder**”) is, as at the date hereof, registered as the holder of £150,000,000 in principal amount of the Subordinated Perpetual Contingent Conversion Additional Tier 1 Capital Securities (the “**Securities**”) of Bank of Ireland (UK) plc (the “**Issuer**”). The Securities are subject to the Terms and Conditions (the “**Conditions**”) endorsed hereon. Expressions defined in the Conditions have the same meanings in this Certificate.

The Issuer, for value received, promises to pay to, or to the order of, the Registered Securityholder (subject to surrender of this Certificate if no further payment falls to be made in respect of such Securities) all amounts of principal, interest and any other amounts which become due and payable on the Securities represented by this Certificate, on such dates as the same become payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

The Issuer certifies that the Registered Securityholder is, at the date hereof, entered in the register of Securityholders (the “**Register**”) as the holder of the Securities represented by this Certificate. This Certificate is evidence of entitlement only. Title to the Securities represented by this Certificate passes only on due registration of transfer of title on the Register. Only the Registered Securityholder is entitled to payments in respect of the Securities represented by this Certificate.

IN WITNESS whereof the Issuer has caused this Certificate to be executed as a deed on its behalf.

Dated 26 November 2021

THE COMMON SEAL OF

BANK OF IRELAND (UK) PLC was affixed hereto

in the presence of

Authorised Signatory

CERTIFICATE OF AUTHENTICATION

This Certificate is authenticated

by or on behalf of the Registrar.

BANK OF IRELAND (UK) PLC

in its capacity as Registrar

By: _____

Duly authorised for and on behalf of
the Registrar without recourse, warranty or liability.
For the purposes of authentication only.

FORM OF TRANSFER OF SECURITIES

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

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

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

£..... *(insert nominal amount)* of Securities represented by this Certificate and all rights under this Certificate in respect of such transferred Securities, irrevocably constituting and appointing Bank of Ireland (UK) plc as attorney to transfer such nominal amount of Securities in the Register maintained by or on behalf of Bank of Ireland (UK) plc with full power of substitution.

Signature(s)

.....

Date:

NOTE:

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

The following are the Terms and Conditions of the Securities

TERMS AND CONDITIONS OF THE SECURITIES

The £150,000,000 Subordinated Perpetual Contingent Conversion Additional Tier 1 Capital Securities (the “**Securities**”, which expression shall in these Conditions, unless the context otherwise requires, include any further Securities issued pursuant to Condition 15 which are consolidated and form a single series with the Securities) are issued by Bank of Ireland (UK) plc (the “**Issuer**”).

1. FORM, DENOMINATION AND TITLE

1.1 Form and denomination

The Securities are in registered form and are available and transferable in minimum principal amounts of £200,000 and integral multiples of £1,000 in excess thereof. A certificate (a “**Certificate**”) will be issued to each Securityholder in respect of its registered holding of Securities. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Securityholders (the “**Register**”) which the Issuer will keep or procure to be kept on its behalf.

1.2 Title

Title to the Securities passes only by registration in the Register. The holder of any Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (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 “**Securityholder**” and (in relation to a Security) “**holder**” means the person in whose name a Security is registered in the Register (or, in the case of a joint holding, the first named thereof).

2. TRANSFERS OF SECURITIES AND ISSUE OF CERTIFICATES

2.1 Transfers

Subject as provided in Condition 2.4, a Security may be transferred by depositing the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed, at the specified office of the Issuer together with such evidence as the Issuer may reasonably require to prove title to the Securities that are the subject of the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Securities will pass upon registration of such transfer in the Register.

2.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Securities will, within five Business Days of receipt by the Issuer of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Security to the address specified in the form of transfer.

Where some but not all of the Securities in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the principal amount of Securities not so transferred will, within 10 Business Days of receipt by the Issuer of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Securities not so transferred to the address of such holder appearing on the Register (or, in the case of a joint holding, the first named thereof).

2.3 Formalities free of charge

Registration of transfer of Securities will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax, duty or other governmental charges which may be imposed on the Issuer in relation to such transfer.

2.4 Closed periods

No Securityholder may require the transfer of a Security to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Security.

3. STATUS AND SUBORDINATION

3.1 Status

The Securities constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer and rank *pari passu*, without any preference among themselves. Subject to the Ranking Legislation, the Securities form part of the class of Tertiary Non-Preferential Debts of the Issuer.

3.2 Subordination

On a Winding-Up occurring prior to the occurrence of a Trigger Event, the rights and claims of Securityholders in respect of their Securities (including any claims for damages awarded for breach of the terms thereof) shall be subordinated as provided in Condition 4.1 and accordingly, subject to the Ranking Legislation, shall rank:

- (a) junior to the claims of Senior Creditors;
- (b) *pari passu* among themselves and with any claims ranking, or expressed to rank, *pari passu* with the claims in respect of the Securities (together, “**Parity Obligations**”); and
- (c) senior to all claims in respect of the ordinary shares of the Issuer and any other claims ranking, or expressed to rank, junior to the claims in respect of the Securities or any Parity Obligations.

3.3 Solvency Condition

Other than in a Winding-Up, payments of principal, interest and all other amounts in respect of or arising from (including any damages awarded for breach of any obligation under) the Securities are, in addition to the right or obligation of the Issuer to cancel payments under Condition 5.1 and Condition 8.1(a), conditional upon the Issuer being solvent at the time of payment by the Issuer and no payment of principal, interest or any other amount shall be due and payable in respect of or arising from the Securities except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the “**Solvency Condition**”). Any interest which is not paid as a result of the Solvency Condition shall be cancelled.

In these Conditions, the Issuer shall be considered to be “**solvent**” at a particular time if (1) the Issuer is able to pay its debts to its Senior Creditors as they fall due and (2) the Issuer’s Assets exceed its Liabilities. A report as to the solvency of the Issuer by two Directors of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer and the Securityholders as correct and sufficient evidence thereof.

3.4 No set-off

Subject to applicable law, no Securityholder may exercise or claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities and each Securityholder will, by virtue of their holding of any Security, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Securityholder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator, administrator or, as appropriate, other insolvency official of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator, administrator or, as appropriate, other insolvency official of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. WINDING-UP

4.1 Winding-Up prior to a Trigger Event

In the event of a Winding-Up prior to the occurrence of a Trigger Event, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer, but subject as provided in this Condition 4.1), such amount, if any, as would have been payable to the Securityholder if, on the day prior to the commencement of the Winding-Up and thereafter, such Securityholder were the holder of one of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”) ranking *pari passu* as to a return of assets on a Winding-Up with the claims of the holders of the class or classes of preference shares (if any) from time to time issued or which may be issued by the Issuer which have a preferential right to a return of assets in the 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 Senior Creditors, on the assumption that the amount that such Securityholder was entitled to receive in respect of such Notional Preference Share on a return of assets in such Winding-Up was an amount equal to the principal amount of the relevant Security and any accrued but unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) and any damages awarded for breach of any obligations in respect of such Security (and, in the case of an administration, on the assumption that such preference shareholders were entitled to claim and recover in respect of their preference shares to the same degree as in a winding up or liquidation).

4.2 Winding-Up on or after the occurrence of a Trigger Event

In the event of a Winding-Up concurrently with or after the occurrence of a Trigger Event, and where Conversion has not yet been effected, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer, but subject as provided in this Condition 4.2), such amount, if any, as would have been payable to the Securityholder if, on the day prior to the commencement of the Winding-Up and thereafter, such Securityholder were the holder of such number of Ordinary Shares as that Securityholder would have been entitled to receive upon Conversion of its Securities on such date in accordance with Condition 8.1(c) (and, in the case of an administration, on the assumption that ordinary shareholders were entitled to claim and recover in respect of their Ordinary Shares to the same degree as in a winding up or liquidation).

5. INTEREST

5.1 Cancellation of interest

(a) *Mandatory cancellation – insufficient Distributable Items*

The Issuer will cancel any interest amount otherwise scheduled to be paid on any date to the extent that such interest amount which would otherwise be due (together with any Additional Amounts payable thereon pursuant to Condition 9, if applicable), when aggregated together with any interest payments or distributions which have been paid or made or which are required to be paid or made during the then current financial year on the Securities and all other own funds items of the Issuer (excluding any such interest payments or other distributions which are not required to be made out of Distributable Items or which have already been provided for, by way of deduction, in calculating the amount of Distributable Items), exceeds the amount of the Distributable Items of the Issuer as at such date.

(b) *Mandatory cancellation – Maximum Distributable Amounts*

The Issuer will also cancel any interest payments otherwise scheduled to be paid on any date if and to the extent that payment of such interest amount which would otherwise be due (together with any Additional Amounts payable thereon pursuant to Condition 9, if applicable), when aggregated together with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 (*Capital Conservation Measures*) of the Part of the PRA Rulebook with title “*Capital Buffers*” (as the same

may be amended or replaced), or in any applicable similar or analogous provisions of the Regulatory Capital Requirements from time to time which require a maximum distributable amount to be calculated, would cause any Maximum Distributable Amount then applicable to the Issuer or the Group (as applicable) to be exceeded.

“**Maximum Distributable Amount**” means any applicable maximum distributable amount relating to the Issuer or the Group (as applicable) required to be calculated in accordance with Chapter 4 (*Capital Conservation Measures*) of the Part of the PRA Rulebook with title “*Capital Buffers*” (as the same may be amended or replaced) or in accordance with any applicable similar or analogous provisions of the Regulatory Capital Requirements from time to time which require a maximum distributable amount to be calculated if the Issuer or the Group (as applicable) is failing to meet any capital requirement or buffers.

(c) *Mandatory cancellation – Solvency Condition*

Payments of interest will also be cancelled if and to the extent required pursuant to Condition 3.3.

(d) *Discretionary cancellation*

The Issuer may elect at its full discretion to cancel (in whole or in part) any interest payment otherwise scheduled to be paid on any date.

(e) *Interest non-cumulative; no default*

The cancellation of any interest amount in accordance with Condition 3.3, Condition 8.1(a) or this Condition 5.1 shall not constitute a default for any purpose on the part of the Issuer. For the avoidance of doubt, interest payments are non-cumulative and the Securityholders shall have no right to any cancelled interest amounts, whether in a Winding-Up or otherwise.

If the Issuer does not pay any interest payment (in whole or, as the case may be, in part) on a scheduled payment date, such non-payment (whether or not notice has been given in accordance with Condition 5.1(f)) shall be sufficient evidence of cancellation of the amount not paid, whether by reason of mandatory cancellation under Conditions 5.1(a), 5.1(b), 5.1(c) or 8.1(a) or by way of the Issuer’s discretion to cancel such amount under Condition 5.1(d).

(f) *Notice of cancellation of interest*

The Issuer shall as soon as reasonably practicable on or prior to the relevant due date for payment, give notice of cancellation of the relevant interest amount (in whole or in part, as the case may be) and the reason therefor to the Securityholders in accordance with Condition 13, provided that any failure to give such notice shall not affect the cancellation of any interest payment (in whole or, as the case may be, in part) by the Issuer and shall not constitute a default under the Securities for any purpose. Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest payment that will be paid on the relevant scheduled payment date.

5.2 Interest Rate and Interest Payment Dates

Subject to Conditions 3.3, 5.1 and 8.1(a), the Securities bear interest on their outstanding principal amount:

- (a) from (and including) the Issue Date to (but excluding) 26 November 2026 (the “**First Reset Date**”), at the rate of 6.15 per cent. per annum (the “**Initial Interest Rate**”); and
- (b) thereafter, at the relevant Reset Interest Rate,

in each case, payable annually in arrear on 26 November of each year, commencing on 26 November 2022 (each an “**Interest Payment Date**”).

5.3 Calculation of interest

When interest is required to be calculated for payment on any date other than an Interest Payment Date, the relevant day-count fraction (the “**Day-Count Fraction**”) shall be calculated on the basis of (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the “**Accrual Date**”) to (but excluding) the date on which it falls due divided by (b) the actual number of days from (and including) the Accrual Date to (but excluding) the next following (or first) Interest Payment Date.

Interest in respect of any Security shall, subject as provided below, be calculated per Calculation Amount. The amount of interest payable (subject to Conditions 3.3, 5.1 and 8.1(a)) in respect of a Security for a relevant period shall be calculated by (i) determining the product of the Calculation Amount, the relevant Interest Rate and the Day-Count Fraction for the relevant period, (ii) rounding the resultant figure to the nearest penny (half a penny being rounded upwards) and (iii) multiplying that rounded figure by a fraction the numerator of which is the principal amount of such Security and the denominator of which is the Calculation Amount; *provided*, however, that if and for so long as all Securities outstanding are represented by a single Certificate, interest shall be calculated on the entire principal amount of the Securities and not per Calculation Amount.

5.4 Reset Interest Rate

- (a) The “**Reset Interest Rate**” in respect of any Reset Period will be the sum of the Reset Reference Rate and the Margin, converted from a semi-annual to an annual basis in a commercially reasonable manner, all as determined by the Issuer (or by an agent acting upon the request of the Issuer) at approximately 11.00 a.m. (London time) on the Reset Determination Date.
- (b) In these Conditions (except where otherwise defined), the expression:
- (i) “**Business Day**” means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;
 - (ii) “**Margin**” means 5.416 per cent. per annum;
 - (iii) “**Reset Determination Date**” means, in relation to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences;
 - (iv) “**Reset Reference Banks**” means five (or, with respect to a Reset Period, such lower number as the Issuer and the holders of at least 50 per cent. of the Notes for the time being outstanding on the Reset Determination Date for such Reset Period may agree) leading gilt dealers in the London interbank market selected by the Issuer; and
 - (v) “**Reset Reference Rate**” means, in respect of the relevant Reset Period, the gross redemption yield (as calculated by the Issuer (or by an agent acting upon the request of the Issuer) on the basis set out by the United Kingdom Debt Management Office in the paper “*Formulae for Calculating Gilt Prices from Yields*”, page 5, Section One: *Price/Yield Formulae “Conventional Gilts”; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date* (published 8 June 1998, as amended or updated from time to time) or if such basis is no longer in customary market usage at such time, in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to three decimal places) of the Benchmark Gilt in respect of the relevant Reset Period, with the price of the Benchmark Gilt for the purpose of determining the gross redemption yield being the arithmetic average rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reset Reference Banks at 11.00 a.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in

London. If at least four quotations are provided, the Reset Reference Rate will be determined by reference to 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 determined by reference to the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be determined by reference to the rounded quotation provided. If no quotations are provided, the Reset Reference Rate shall be the Reset Reference Rate in respect of the immediately preceding Reset Period or, in the case of the calculation of the first Reset Reference Rate, the Initial Interest Rate less the Margin, where:

- (A) “**Benchmark Gilt**” means, in respect of the relevant Reset Period, such United Kingdom government security customarily used in the pricing of new issues having a maturity date on or about the last day of such Reset Period as the Issuer may determine to be appropriate following any guidance published by the International Capital Market Association at the relevant time; and
- (B) “**dealing day**” means a day on which the London Stock Exchange plc (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities.

5.5 Notification of Reset Interest Rate

The Issuer shall give notice of each Reset Interest Rate to each stock exchange on which the Securities are, for the time being, listed or admitted to trading (if any) and to Securityholders in accordance with Condition 13 as soon as practicable after its determination, but in no event later than the second Business Day following the relevant Reset Date. Each Reset Interest Rate so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of manifest error.

5.6 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Reset Reference Banks (or any of them) or the Issuer (or its appointed agent), will (in the absence of manifest error or bad faith) be binding on the Issuer and all Securityholders.

5.7 Interest accrual

Each Security will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Security is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue on the outstanding principal amount at the prevailing Interest Rate (determined in accordance with this Condition 5) both before and after judgment, and shall (subject to Conditions 3.3, 5.1 and 8.1(a)) be payable, as provided in these Conditions, up to (but excluding) the Relevant Date.

6. PAYMENTS

6.1 Payments in respect of Securities

Payments of principal, interest and any other amounts in respect of each Security will be by cheque, by transfer to the registered account of the Securityholder (being a sterling account maintained by or on behalf of it with a bank that processes payments in sterling and notified by the relevant Securityholder to the Issuer) or otherwise as agreed between the Securityholders and the Issuer from time to time.

6.2 Payments subject to applicable laws

Payments in respect of principal, interest and any other amounts on the Securities are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.3 No commissions

No commissions or expenses shall be charged to the Securityholders in respect of any payments made in accordance with this Condition 6.

6.4 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 and, where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of a payment due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the Issuer.

Securityholders 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, if the Securityholder is late in surrendering or presenting its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

6.5 Partial Payments

If the amount of principal, interest or any other amount which is due on the Securities is not paid in full, the Issuer will annotate the register of Securityholders with a record of the amount of principal or interest in fact paid.

7. REDEMPTION AND PURCHASE

7.1 No fixed redemption date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the following provisions of this Condition 7.

7.2 Redemption at the option of the Issuer

The Issuer may, in its sole discretion but subject to Condition 7.6, having given not less than 15 nor more than 30 days’ notice to the Securityholders in accordance with Condition 13 (which notice shall, subject to Condition 7.6, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Securities on the First Reset Date or on any Interest Payment Date thereafter, at their principal amount together with accrued and unpaid interest up to (but excluding) the date of redemption (excluding interest that has been cancelled in accordance with these Conditions).

7.3 Redemption for regulatory reasons

If at any time a Capital Disqualification Event has occurred and is continuing, the Issuer may, in its sole discretion but subject to Condition 7.6, having given not less than 15 nor more than 30 days’ notice to the Securityholders in accordance with Condition 13 (which notice shall, subject to Condition 7.6, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Securities

at any time at their principal amount together with accrued and unpaid interest up to (but excluding) the date of redemption (excluding interest that has been cancelled in accordance with these Conditions).

A “**Capital Disqualification Event**” shall occur if, as a result of any change (or pending change which the Supervisory Authority considers to be sufficiently certain) in the regulatory classification of the Securities under the Regulatory Capital Requirements that becomes effective on or after the Issue Date, the Securities are (or would be) fully or partially excluded from the Tier 1 Capital of the Issuer or the Group (as applicable).

7.4 Redemption for tax reasons

If at any time a Tax Event has occurred and is continuing, the Issuer may, in its sole discretion but subject to Condition 7.6, having given not less than 15 nor more than 30 days’ notice to Securityholders in accordance with Condition 13 (which notice shall, subject to Condition 7.6, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Securities at any time at their principal amount together with accrued and unpaid interest up to (but excluding) the date of redemption (excluding interest that has been cancelled in accordance with these Conditions).

A “**Tax Event**” shall occur if, as a result of any change in the laws, regulations or government policies of the United Kingdom or any political subdivision or authority thereof or therein, or any change in the interpretation by any competent court or tribunal or in the official application or generally published interpretation of any such laws, regulations or government policies having effect after the Issue Date:

- (a) the Issuer has paid, or would on the next Interest Payment Date be required to pay, Additional Amounts in respect of the Securities;
- (b) the Issuer is not or would not be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Securities, or such a deduction is or would be reduced or deferred;
- (c) the Issuer is not or would not be able to treat the Securities as loan relationships for United Kingdom tax purposes;
- (d) the Issuer treats or would be required to treat any part of the Securities as an embedded derivative for tax purposes, or the Issuer otherwise is or would be required to take changes in or re-estimates of the value of the Securities or any part of the Securities, or of the present value of the cashflows arising in respect of the Securities or any part of the Securities, into account in computing its taxable profits and losses;
- (e) the Issuer would be required to bring into account any amount of income, profit or gain or other tax credit or taxable item for tax purposes, or any other liability to tax would arise, in respect of the write-down of the Securities, the conversion of the Securities into Ordinary Shares or both (including, pursuant to the terms and conditions of the Securities or as a result of the exercise of any regulatory powers under the Banking Act 2009, as amended); or
- (f) the Issuer will not or would not, as a result of the Securities being in existence, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be grouped for applicable tax purposes (whether under the United Kingdom group relief system current as at the date hereof or any similar system or systems having like effect as may from time to time exist); or
- (g) the Issuer will or would incur any other taxation liability or liabilities in relation to the Securities,

provided that the consequences of such event cannot be avoided by the Issuer taking reasonable measures available to it.

7.5 Purchases

The Issuer or any of its Subsidiaries may, at its option but subject to Condition 7.6, purchase or otherwise acquire any of the outstanding Securities at any price in the open market or otherwise at any time in accordance with the then prevailing Regulatory Capital Requirements.

7.6 Conditions to redemption and purchase

Any redemption of the Securities under Condition 7.2, 7.3 or 7.4 or any purchase of Securities under Condition 7.5 is subject to obtaining Regulatory Approval and to compliance with the Regulatory Preconditions.

In addition, if the Issuer has elected to redeem the Securities and:

- (a) the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for redemption; or
- (b) prior to the redemption, a Trigger Event occurs,

the relevant redemption notice shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Securityholders in accordance with Condition 13 as soon as practicable.

No notice of redemption of the Securities may be given, nor any purchase of Securities made, pursuant to this Condition 7 at any time after the occurrence of a Trigger Event.

7.7 Cancellations

All Securities which are redeemed by the Issuer pursuant to this Condition 7 will be cancelled. All Securities purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, cancelled.

7.8 Notices final

Upon the expiry of any notice as is referred to in Condition 7.2, 7.3 or 7.4, the Issuer shall be bound (subject only to Condition 7.6) to redeem the Securities to which the notice refers in accordance with the terms of such paragraph.

8. CONVERSION

8.1 Conversion on a Trigger Event

If a Trigger Event occurs at any time, the Issuer shall immediately notify the Supervisory Authority of the occurrence of the Trigger Event and, without delay and by no later than one month (or such shorter period as the Supervisory Authority may then require) from the occurrence of the relevant Trigger Event:

- (a) the Issuer shall cancel any interest which is accrued and unpaid up to (and including) the Conversion Date (whether or not such interest has become due for payment);
- (b) the Issuer shall irrevocably (without the need for the consent of Securityholders) write down the Securities on the Conversion Date by reducing the principal amount of each Security to zero; and
- (c) the Issuer shall issue to or to the order of each Securityholder on the Conversion Date such number of Ordinary Shares as is equal to the aggregate principal amount of that Securityholder's Securities divided by £1.00 (the "**Conversion Price**") and rounded down (if necessary) to the nearest whole number of Ordinary Shares (such write down under Condition 8.1(b) and issue of Ordinary Shares

under this Condition 8.1(c) being together referred to as a “**Conversion**”, and “**Converted**” shall have a corresponding meaning).

The Issuer shall, without delay following determination that a Trigger Event has occurred, and in any event not more than 5 days following such determination (provided that later notice shall not constitute a default under the Securities for any purpose or affect the Conversion of the Securities on the Conversion Date), give notice (which notice shall be irrevocable) to the Securityholders in accordance with Condition 13 (the “**Conversion Notice**”) stating: (i) that the Trigger Event has occurred; (ii) the Conversion Date; (iii) the Conversion Price; and (iv) the procedures Securityholders will need to follow to receive Ordinary Shares pursuant to Condition 8.1(c).

Fractions of Ordinary Shares will not be delivered in connection with any Conversion and no cash payment or other adjustment will be made in lieu thereof, whether on a Winding-Up or otherwise.

The occurrence of a Trigger Event may be determined by the Issuer or, if applicable, by the Supervisory Authority (or any agent appointed for such purpose by the Supervisory Authority), and on the basis of any available information relating to the Issuer and the Group, whether or not published.

8.2 Consequences of a Conversion

Once the principal amount of a Security has been written down pursuant to Condition 8.1(b), it will not be restored in any circumstances, including where the Trigger Event ceases to continue.

A write down of the Securities under Condition 8.1(b) shall be deemed effective with effect from the Conversion Date and without the requirement for any further formality. Such irrevocable write-down of the Securities and cancellation of accrued and unpaid interest (whether or not such interest has become due for payment) shall be independent of the timing of the obligation of the Issuer to issue the Ordinary Shares to Securityholders under Condition 8.1(c) and, accordingly, shall be effective as of the Conversion Date whether or not the Ordinary Shares to be issued to Securityholders under Condition 8.1(c) are so issued on the Conversion Date. The Issuer will issue to or to the order of Securityholders on the Conversion Date such number of Ordinary Shares as is required under Condition 8.1(c) to be issued to Securityholders. If the Issuer fails to issue such Ordinary Shares, or there is any delay in the issue or delivery of such Ordinary Shares to any Securityholder, the only right of the Securityholders in respect of such failure or delay will be to claim against the Issuer to have such Ordinary Shares so issued to it (or, in a Winding-Up, to prove in such Winding-Up as if such Ordinary Shares had been so issued to it as provided in Condition 4.2).

The Securityholders shall be deemed to have waived all rights and claims in respect of the principal amount by which the Securities are written down and shall be deemed irrevocably to have directed and authorised the Issuer to apply such amount to paying up the fully-paid Ordinary Shares to be delivered to or to the order of the Securityholders.

In order to obtain delivery of Ordinary Shares pursuant to Condition 8.1(c), Securityholders will be required to deliver the Certificate representing their Securities to the Issuer.

The Issuer will at all times maintain all corporate authorities necessary to issue and allot a sufficient number of Ordinary Shares pursuant to this Condition 8.2.

The Securities are not convertible into Ordinary Shares at the option of the Securityholders at any time.

8.3 Taxes etc.

The Issuer shall not be liable for any taxes or capital, stamp, issue, registration or transfer taxes or duties arising on Conversion or that may arise or be paid as a consequence of the delivery of Ordinary Shares upon Conversion. A Securityholder must pay any taxes and capital, stamp, issue, registration and transfer taxes and duties arising for it on Conversion as a consequence of any disposal or deemed disposal of its Securities (or any interest therein) and/or the issue or delivery to it of any Ordinary Shares (or any interest therein).

8.4 Delivery

The Ordinary Shares to be delivered on Conversion will be issued and delivered to each Securityholder in certificated form at the registered address of such Securityholder or otherwise as agreed between the Issuer and the relevant Securityholder.

The Ordinary Shares will not be available for issue or delivery (i) to, or to a nominee for, Euroclear or Clearstream, Luxembourg or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) 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 (iii) to the CREST account of such a person described in (i) or (ii).

8.5 Ordinary Shares

Ordinary Shares issued upon Conversion will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments as of any applicable record date or other due date for the establishment of entitlement for which falls prior to the Conversion Date.

9. TAXATION

9.1 Payment without withholding

All payments by or on behalf of the Issuer in respect of principal, interest and any other amounts in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. If any such withholding or deduction for or on account of any Taxes is required by law, the Issuer will, in respect of payments of interest (but not of principal or any other amount), pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the amounts of interest which would have been receivable in respect of the Securities in the absence of any withholding or deduction, except that no Additional Amounts shall be payable in relation to any payment in respect of any Security:

- (a) held by or on behalf of a Securityholder who is liable to such Taxes in respect of such Security by reason of it having some connection with the United Kingdom other than the mere holding of the Security;
- (b) where (in the case of a payment of interest on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the Securityholder would have been entitled to such Additional Amounts on surrendering such Certificate for payment on the last day of such period of 30 days; or
- (c) where the Securityholder is able to avoid such withholding or deduction by complying, or procuring that a third party complies with, any applicable 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.

9.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 9 or under any undertakings given by the Issuer in addition to, or in substitution for, this Condition.

10. PRESCRIPTION

Claims in respect of principal, interest and any other amounts in respect of the Securities will become prescribed unless made within periods of 10 years (in the case of principal) and five years (in the case of interest and any other amounts) from the Relevant Date, subject to the provisions of Condition 6.

11. ENFORCEMENT

- (a) In the event of a Winding-Up, or if the Issuer has not made payment of any amount in respect of the Securities for a period of 30 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Securities and, unless proceedings for a Winding-Up have already commenced, any Securityholder may institute proceedings for a winding-up of the Issuer in England but may take no other action in respect of such default (save as provided in this Condition 11).
- (b) Each Securityholder may prove in respect of its Securities in a Winding-Up (whether or not instituted by a Securityholder), its claim being as set out in Condition 4.1 or 4.2, as applicable.
- (c) Without prejudice to Condition 11(a), a Securityholder may, at its discretion, and without notice, institute such proceedings and/or take any other steps or action against the Issuer as it may think fit to enforce any term or condition binding on the Issuer (including, without limitation, proceedings, actions or steps to enforce obligations of the Issuer in connection with a Conversion) other than any payment obligation of the Issuer under or arising from the Securities (including, without limitation, payment obligations in respect of any principal or interest or any damages awarded for breach of any obligations); *provided that* in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions. Nothing in this Condition 11(c) shall, however, prevent a Securityholder instituting proceedings for the Winding-Up as provided in Condition 11(a) or proving in any Winding-Up as provided in Condition 11(b).
- (d) No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Securityholders, whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities.

12. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Issuer, subject to all applicable laws and stock exchange requirements, 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 may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. NOTICES

All notices regarding the Securities shall be valid if sent by post to the Securityholders at their respective addresses in the Register, or as may otherwise be agreed between the Issuer and the Securityholders from time to time. 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 Securities are for the time being listed. Any notice shall be deemed to have been given on the second day after being so mailed or, if published in accordance with the rules of the relevant stock exchange or other authority, on the

first date of publication, or as may otherwise be agreed between the Issuer and the Securityholders from time to time.

14. MODIFICATION

14.1 Modification

Any modification of these Conditions shall be conditional upon the Issuer having obtained Regulatory Approval, if then required, and upon such modification not constituting, or resulting in the Securities containing, a significant equity feature for the purposes of section 475C(2) of the Corporation Tax Act 2010.

14.2 Notification to the Securityholders

Any such modification shall be binding on the Securityholders (including any Securityholders who have not agreed to such modification) and shall be notified by the Issuer to the Securityholders as soon as practicable thereafter in accordance with Condition 13.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Securityholders create and issue further securities having (i) the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of interest) so that the same shall be consolidated and form a single series with the Securities; or (ii) such other terms and conditions as the Issuer may elect.

16. GOVERNING LAW

The Securities and any non-contractual obligations arising out of or in connection with the Securities are governed by, and will be construed in accordance with, English law.

17. RIGHTS OF THIRD PARTIES

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

18. DEFINITIONS

In these Conditions:

“**Accrual Date**” has the meaning given to it in Condition 5.3.

“**Additional Amounts**” has the meaning given to it in Condition 9.1.

“**Assets**” means the unconsolidated gross assets of the Issuer, as shown in its latest published audited balance sheet, but adjusted for subsequent events in such manner as the Directors of the Issuer may determine.

“**Business Day**” has the meaning given to it Condition 5.4(b)(i).

“**Calculation Amount**” means £1,000 in principal amount of Securities.

“**Capital Disqualification Event**” has the meaning given to it in Condition 7.3.

“**Certificate**” has the meaning given to it in Condition 1.1.

“**Code**” has the meaning given to it in Condition 6.2.

“Common Equity Tier 1” means, as at any date, the sum, expressed in pounds sterling, of all amounts that constitute common equity tier 1 capital (as that term is used in the UK Capital Requirements Regulation) of the Issuer or, as applicable, the Group as at such date, less any deductions from common equity tier 1 capital required to be made as of such date, in each case as calculated by the Issuer (or, if applicable, by the Supervisory Authority or any agent appointed for such purpose by the Supervisory Authority) on an individual basis or, as applicable, on a (sub-)consolidated basis, in accordance with the then prevailing Regulatory Capital Requirements and on a fully-loaded basis (i.e. without applying the transitional provisions set out in Part Ten of the UK Capital Requirements Regulation).

“Common Equity Tier 1 Capital Ratio” means, as of any date, the ratio of Common Equity Tier 1 of the Issuer or, as applicable, the Group as of such date to the Risk Weighted Assets of the Issuer or, as applicable, the Group, respectively, as of the same date, expressed as a percentage and as calculated by the Issuer (or, if applicable, by the Supervisory Authority or any agent appointed for such purpose by the Supervisory Authority) on the basis that all measures used in such calculation shall be calculated on a fully-loaded basis (i.e. without applying the transitional provisions set out in Part Ten of the UK Capital Requirements Regulation).

“Conditions” means these terms and conditions of the Securities, as amended from time to time, and references to a numbered **“Condition”** shall be construed accordingly.

“Conversion” has the meaning given to it in Condition 8.1(c).

“Conversion Date” means the date specified as such in the Conversion Notice and, in accordance with Condition 8.1, in any event no later than one month (or such shorter period as the Supervisory Authority may then require) from the occurrence of the relevant Trigger Event.

“Conversion Notice” has the meaning given to it in Condition 8.1.

“Conversion Price” has the meaning given to it in Condition 8.1.

“Converted” has the meaning given to it in Condition 8.1(c).

“Day-Count Fraction” has the meaning given to it in Condition 5.3.

“Distributable Items” means, subject as otherwise defined in the Regulatory Capital Requirements, in relation to interest otherwise scheduled to be paid on any date, the amount of the profits of the Issuer as at the end of the financial year immediately preceding such date plus:

- (i) any profits brought forward and reserves available for that purpose before distributions to holders of other own funds items of the Issuer; less
- (ii) any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the Issuer’s articles of association and sums placed to non-distributable reserves in accordance with the Companies Act 2006 or the articles of association of the Issuer,

those profits, losses and reserves being determined on the basis of the individual accounts of the Issuer and not on the basis of its consolidated accounts.

“First Reset Date” has the meaning given to it in Condition 5.2(a).

“Group” means the Issuer and its subsidiaries (or, where applicable, those of its subsidiaries which are within the prudential consolidation of the Issuer) taken as a whole.

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

“Initial Interest Rate” has the meaning given to it in Condition 5.2(a).

“Insolvency Act” means the Insolvency Act 1986, as amended or superseded from time to time (including by the Hierarchy Order).

“Interest Payment Date” has the meaning given to it in Condition 5.2.

“Interest Rate” means the Initial Interest Rate and/or the applicable Reset Interest Rate, as the case may be.

“Issue Date” means 26 November 2021.

“Issuer” has the meaning given to it in the preamble to these Conditions.

“Liabilities” means the unconsolidated gross liabilities of the Issuer, as shown in its latest published audited balance sheet, but adjusted for contingent liabilities and for subsequent events in such manner as the Directors of the Issuer may determine.

“Margin” has the meaning given to it in Condition 5.4(b)(ii).

“Maximum Distributable Amount” has the meaning given to it in Condition 5.1(b).

“Notional Preference Share” has the meaning given to it in Condition 4.1.

“Ordinary Non-Preferential Debts” means ‘ordinary non-preferential debts’ as defined in Section 387A(3)(a) of the Insolvency Act or any other relevant section of any Ranking Legislation (as applicable).

“Ordinary Shares” means ordinary voting shares in the capital of the Issuer.

“own funds instruments” has the meaning given to it in the UK Capital Requirements Regulation.

“Parity Obligations” has the meaning given to it in Condition 3.2.

“PRA Rulebook” means the PRA Rulebook as it applies to CRR firms (as defined therein) maintained by the Supervisory Authority, as amended or replaced from time to time.

“Ranking Legislation” means the Insolvency Act, the Hierarchy Order and/or any other law or regulation which is amended by the Hierarchy Order, in each case if and to the extent applicable to the Issuer.

“record date” has the meaning given to it in Condition 6.1.

“Register” has the meaning given to it in Condition 1.2.

“Regulatory Approval” means such approval, consent, prior permission from, or notification required within prescribed periods to, the Supervisory Authority, or such waiver of the then prevailing Regulatory Capital Requirements from the Supervisory Authority, as is required under the then prevailing Regulatory Capital Requirements.

“Regulatory Capital Requirements” means, at any time, any requirements or provisions contained in the laws, regulations, requirements, guidelines and policies of the Supervisory Authority, or of the United Kingdom, then in effect in the United Kingdom relating to capital adequacy (whether on a risk-weighted, leverage or other basis) and prudential supervision (including as regards the requisite features of own funds instruments) and applicable to the Issuer and/or, as applicable, the Group.

“Regulatory Preconditions” means, in relation to any redemption or purchase of the Securities pursuant to Condition 7.2, 7.3, 7.4 or 7.5, to the extent required by prevailing Regulatory Capital Requirements:

- (a) the Issuer having demonstrated to the satisfaction of the Supervisory Authority that either:

- (i) on or before the relevant redemption or purchase date, the Issuer has (or will have) replaced the Securities with instruments qualifying as own funds of equal or higher quality on terms that are sustainable for the income capacity of the Issuer; or
 - (ii) the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum applicable requirements (including any applicable buffer requirements) by a margin that the Supervisory Authority considers necessary at such time; or
- (b) in the case of any redemption of the Securities prior to the fifth anniversary of the Issue Date pursuant to Condition 7.3 or Condition 7.4:
- (i) in the case of redemption upon the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Supervisory Authority that the relevant change in the regulatory classification of the Securities was not reasonably foreseeable as at the Issue Date; or
 - (ii) in the case of redemption upon a Tax Event, the Issuer having demonstrated to the satisfaction of the Supervisory Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date; or
- (c) in the case of any purchase of Securities in accordance with Condition 7.5 prior to the fifth anniversary of the Issue Date, the Issuer having demonstrated to the satisfaction of the Supervisory Authority that it has (or will have), before or at the same time as such purchase, replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Supervisory Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances,

provided that if, at the time of such redemption or purchase, the prevailing Regulatory Capital Requirements permit such redemption or purchase only after compliance with one or more additional or alternative pre-conditions to those set out in paragraphs (a) to (c) of this definition, the Regulatory Preconditions will have been satisfied upon the Issuer having complied, in addition or in the alternative to the foregoing (as applicable), with such additional and/or alternative pre-conditions.

“Relevant Date” means:

- (a) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up, 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 Securityholders that, upon further surrender of the Certificate representing such Security being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender); and
- (b) in respect of a sum to be paid by the Issuer in a Winding-Up, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up (or, in the case of an administration, one day prior to the date on which any dividend is distributed).

“Reset Date” means the First Reset Date and each date that falls five, or a whole multiple of five, years following the First Reset Date.

“Reset Determination Date” has the meaning given to it Condition 5.4(b)(iii).

“Reset Interest Rate” has the meaning given to it in Condition 5.4(a).

“**Reset Period**” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date, and each successive period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

“**Reset Reference Banks**” has the meaning given to it in Condition 5.4(b)(iv).

“**Reset Reference Rate**” has the meaning given to it in Condition 5.4(b)(v).

“**Risk Weighted Assets**” means, as at any date, the aggregate amount, expressed in pounds sterling, of the risk weighted assets of the Issuer as at such date, as calculated by the Issuer (or, if applicable, by the Supervisory Authority or any agent appointed for such purpose by the Supervisory Authority) on an individual basis or, as applicable, on a (sub-)consolidated basis, in accordance with the then prevailing Regulatory Capital Requirements and (if applicable) on a fully-loaded basis (i.e. without applying any transitional arrangements under the UK Capital Requirements Regulation which are applicable as at such date).

“**Secondary Non-Preferential Debts**” means ‘secondary non-preferential debts’ as defined in Section 387A(3)(b) of the Insolvency Act or any other relevant section of any Ranking Legislation (as applicable).

“**Securityholder**” has the meaning given to it in Condition 1.2.

“**Senior Claims**” means, in respect of the Issuer, all claims admitted in the Winding-Up which are (i) claims of depositors of the Issuer (if any) or (ii) claims of creditors in respect of Ordinary Non-Preferential Debts of the Issuer and all other obligations of the Issuer which are preferred by law to Secondary Non-Preferential Debts.

“**Senior Creditors**” means creditors of the Issuer in respect of (1) all Senior Claims, (2) all Senior Non-Preferred Claims and (3) all Subordinated Claims which rank, or are expressed to rank, in priority to claims in respect of the Securities in a Winding-Up commencing prior to a Trigger Event (including claims in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital of the Issuer or the Group (as applicable)).

“**Senior Non-Preferred Claims**” means all claims admitted in the Winding-Up which are claims of creditors in respect of Secondary Non-Preferential Debts of the Issuer.

“**Solvency Condition**” has the meaning given to it in Condition 3.3.

“**Subordinated Claims**” means all claims admitted in the Winding-Up which are claims in respect of Tertiary Non-Preferential Debts of the Issuer, including (without limitation) claims of creditors in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital or Tier 1 Capital of the Issuer or the Group (as applicable).

“**Subsidiary**” means each subsidiary undertaking (as defined under section 1159 of the Companies Act) for the time being of the Issuer.

“**Supervisory Authority**” means the United Kingdom Prudential Regulation Authority and any successor or replacement thereto or such other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

“**Tax Event**” has the meaning given to it in Condition 7.4.

“**Taxes**” has the meaning given to it in Condition 9.1.

“**Tertiary Non-Preferential Debts**” means ‘tertiary non-preferential debts’ as defined in Section 387A(3)(c) of the Insolvency Act or any other relevant section of any Ranking Legislation (as applicable).

“**Tier 1 Capital**” has the meaning given to it (or any successor term) from time to time in the Regulatory Capital Requirements.

“**Tier 2 Capital**” has the meaning given to it (or any successor term) from time to time in the Regulatory Capital Requirements.

a “**Trigger Event**” shall occur if, at any time, the Common Equity Tier 1 Capital Ratio of the Issuer or of the Group falls below 7.00 per cent.

“**Winding-Up**” means:

- (a) 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 purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by the holders of not less than three-quarters of the principal amount of the Securities for the time being outstanding and do not provide that the Securities thereby become redeemable or repayable in accordance with these Conditions);
- (b) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or
- (c) a liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (a) or (b) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009, as amended.

“**UK Capital Requirements Regulation**” means Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms dated 26 June 2013 (as amended), as retained in the United Kingdom, with certain amendments, under the European Union (Withdrawal) Act 2018, as amended, and related legislation, as the same may be amended or replaced from time to time.

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