

**CERTIFICATE**

**BANK OF IRELAND (UK) PLC**

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

**£90,000,000**

**Floating Rate Subordinated Tier 2 Notes due December 2032**

**Certificate No. 1**

This Certificate certifies that THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND (the “**Registered Noteholder**”) is, as at the date hereof, registered as the holder of £90,000,000 in principal amount of the Floating Rate Subordinated Tier 2 Notes due December 2032 (the “**Notes**”) of Bank of Ireland (UK) plc (the “**Issuer**”). The Notes 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 Noteholder (subject to surrender of this Certificate if no further payment falls to be made in respect of such Notes) all amounts of principal, interest and any other amounts which become due and payable on the Notes 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 Noteholder is, at the date hereof, entered in the register of Noteholders (the “**Register**”) as the holder of the Notes represented by this Certificate. This Certificate is evidence of entitlement only. Title to the Notes represented by this Certificate passes only on due registration of transfer of title on the Register. Only the Registered Noteholder is entitled to payments in respect of the Notes represented by this Certificate.

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

Dated 19 December 2022

**THE COMMON SEAL OF**

**BANK OF IRELAND (UK) PLC** was affixed hereto

**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 NOTES**

**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 Notes represented by this Certificate and all rights under this Certificate in respect of such transferred Notes, irrevocably constituting and appointing Bank of Ireland (UK) plc as attorney to transfer such nominal amount of Notes 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 Notes*

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

The £90,000,000 Floating Rate Subordinated Tier 2 Notes due December 2032 (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Condition 13 which are consolidated and form a single series with the Notes) are issued by Bank of Ireland (UK) plc (the “**Issuer**”).

### **1. FORM, DENOMINATION AND TITLE**

#### **1.1 Form and denomination**

The Notes 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 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 (the “**Register**”) which the Issuer will keep or procure to be kept on its behalf.

#### **1.2 Title**

Title to the Notes passes only by registration in the Register. The holder of any Note 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 “**Noteholder**” and (in relation to a Note) “**holder**” means the person in whose name a Note is registered in the Register (or, in the case of a joint holding, the first named thereof).

### **2. TRANSFERS OF NOTES AND ISSUE OF CERTIFICATES**

#### **2.1 Transfers**

Subject as provided in Condition 2.4, a Note may be transferred by depositing the Certificate issued in respect of that Note, 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 Notes that are the subject of the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Notes 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 Notes 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 Note to the address specified in the form of transfer.

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 principal amount of Notes 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 Notes 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 Notes 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 Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note.

## **3. STATUS AND SUBORDINATION**

### **3.1 Status**

The Notes constitute direct, unsecured, unguaranteed and, in accordance with Conditions 3.2 and 3.3, subordinated obligations of the Issuer and rank *pari passu*, without any preference among themselves. Subject to the Ranking Legislation, the Notes form part of the class of Tertiary Non-Preferential Debts of the Issuer.

### **3.2 Subordination**

On a Winding-Up, the claims of the Noteholders against the Issuer in respect of the Notes (including any claims for damages awarded in respect thereof) shall, subject to the Ranking Legislation:

- (a) be subordinated in the manner provided in the Ranking Legislation and in Condition 3.3 below, in right of payment to (1) all Senior Claims, (2) all Senior Non-Preferred Claims and (3) any Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Notes;
- (b) rank at least *pari passu* with the claims in respect of all 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); and
- (c) rank in priority to the claims in respect of (1) all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital of the Issuer or the Group (as applicable), (2) all other undated or perpetual subordinated obligations of the Issuer (other than any such obligations (if any) which rank or are expressed to rank *pari passu* with, or in priority to, the Notes), (3) all classes of share capital of the Issuer and (4) any other obligations which rank or are expressed to rank junior to claims in respect of the Notes.

### **3.3 Trust of proceeds on a Winding-Up**

In a Winding-Up, the right of a Noteholder to receive any moneys in respect of any Note in such Winding-Up (including any principal, interest or any other amounts in respect of the Notes and any damages awarded in respect thereof) shall be conditional upon such Noteholder holding (and the Noteholder shall hold any such moneys received) upon trust:

- (a) first, to the extent of any Shortfall, for distribution in or towards payment or satisfaction of the Priority Indebtedness in respect of the Issuer; and
- (b) second, in or towards payment *pari passu* and rateably of any amounts owing in respect of the Notes (to the extent that claims in respect of the Notes shall be admitted in such Winding-Up).

The trusts mentioned above may be performed by the relevant Noteholder repaying to the liquidator, administrator or other insolvency official (as the case may be) for the time being of the Issuer the amount so to be distributed on terms that such liquidator, administrator or other insolvency official (as the case may be) shall distribute the same accordingly, and in that event the receipt of the liquidator, administrator or other insolvency official (as the case may be) of the moneys so paid by the Noteholder shall be a good discharge to the Noteholder for its performance of the trusts mentioned above.

By acquiring any Note, each Noteholder unconditionally and irrevocably authorises, permits and directs any liquidator, administrator or other insolvency official (as the case may be) for the time being of the Issuer, in recognition of the foregoing trusts, to apply those monies which would, if paid to such Noteholder, be subject to the above trusts directly in payment of Priority Indebtedness and, thereafter, amounts owing in respect of the Notes.

### **3.4 No set-off**

Subject to applicable law, no Noteholder may exercise or claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes and each Noteholder will, by virtue of their holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with, the Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator, 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. INTEREST**

### **4.1 Interest Payment Dates**

The Notes bear interest on their outstanding principal amount from (and including) the Issue Date, and interest will be payable on 19 March, 19 June, 19 September and 19 December in each year, commencing on 19 March 2023 (each an “**Interest Payment Date**”), provided that if any such date would otherwise fall on a day which is not a Business Day, that Interest Payment Date shall be postponed to the next day which is a Business Day.

### **4.2 Interest accrual**

Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of the payment. In such event, interest will continue to accrue at the Rate of Interest calculated for the Interest Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes until the date on which all amounts due in respect of such Note have been paid.

### **4.3 Rate of Interest**

- (a) The rate of interest payable from time to time in respect of the Notes (the “**Rate of Interest**”) will be determined by the Issuer (or its appointed agent) as the sum of (i) Compounded Daily SONIA applicable to the relevant Interest Period and (ii) the Margin (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards).

In these Conditions:

“**Compounded Daily SONIA**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily sterling overnight reference rate as reference rate for the calculation of interest) calculated by the Issuer (or its appointed agent) as at the relevant Determination Date as follows (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

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

where:

- “*d*” means the number of calendar days in the relevant Interest Period;
- “*d*<sub>0</sub>” means the number of London Banking Days in the relevant Interest Period;
- “**Determination Date**” means, in respect of any Interest Period, the day falling five London Banking Days prior to (A) the Interest Payment Date for such Interest Period or (B) (if applicable) such earlier date on which the relevant payment of interest falls due (which, if the Notes become due and payable prior to the Maturity Date in accordance with Condition 9, shall be the date on which the Notes become so due and payable);
- “*i*” means a series of whole numbers from one to ‘*d*<sub>0</sub>’, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in the relevant Interest Period;
- “**London Banking Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;
- “*n*<sub>*i*</sub>” means, in relation to any London Banking Day ‘*i*’, the number of calendar days from (and including) such London Banking Day ‘*i*’ up to (but excluding) the following London Banking Day;
- “**Relevant Screen Page**” means Bloomberg Historical Price Screen (HP) for the ticker ‘SONIO/N Index’ (or any replacement or successor page);
- the “**SONIA reference rate**” in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and
- “**SONIA<sub>*i*</sub>**” means the SONIA reference rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day ‘*i*’;

- (b) Subject to Condition 4.7, if, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, the Issuer (or its appointed agent) determines that the SONIA reference rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be the rate determined by the Issuer (or its appointed agent) as being:
- (i) the sum of (x) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on the relevant London Banking Day, plus (y) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
  - (ii) if the Bank Rate under (i)(x) above is not available at the relevant time, either (A) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (i) above,
- and, in each case, references to “SONIA reference rate” in the foregoing provisions of this Condition 4.3 shall be construed accordingly.
- (c) Subject to Condition 4.7, if the Rate of Interest for an Interest Period cannot be determined in accordance with the foregoing provisions of this Condition 4.3, the Rate of Interest for such Interest Period shall be the rate determined by the Issuer (or its appointed agent) as being the Rate of Interest for the last preceding Interest Period.

#### **4.4 Determination of Rate of Interest and Interest Amount**

The Issuer (or its appointed agent) shall, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and the sterling amount payable in respect of interest on each Note (the “**Interest Amount**”) for the relevant Interest Period. The Interest Amount shall be determined by applying the Rate of Interest to the principal amount of such Note, multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 (or, in the case of an Interest Period ending in a leap year, 366) and rounding the resultant figure to the nearest penny (half a penny being rounded upwards).

#### **4.5 Publication of Rate of Interest and Interest Amount**

The Issuer shall cause the Rate of Interest and the Interest Amount per £1,000 in principal amount of Notes for each Interest Period and the relative Interest Payment Date to be notified promptly following determination to any stock exchange or other relevant authority on which the Notes have been admitted to listing on the application of the Issuer. The Rate of Interest, Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

#### **4.6 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 4 by the Issuer (or its appointed agent), will (in the absence of manifest error or bad faith) be binding on the Issuer and all Noteholders.



#### 4.7 Benchmark replacement

- (a) If a Benchmark Event occurs in relation to SONIA (or any replacement rate therefor under any prior operation of this Condition 4.7) (the “**Original Reference Rate**”) when any required Rate of Interest remains to be determined by reference to the Original Reference Rate, then the Issuer (in consultation with the Noteholders) shall determine a Successor Rate, failing which an Alternative Rate, and (in either case) an Adjustment Spread and any Benchmark Amendments in accordance with this this Condition 4.7.
- (b) Notwithstanding any other provision of these Conditions, in the determination of any Successor Rate or Alternative Rate (as applicable) and the Adjustment Spread and any Benchmark Amendments, the Issuer shall be entitled to make any such adjustments so as to satisfy itself and/or the Supervisory Authority that application of the same to the Notes shall not prejudice the continued qualification of the Notes as part of the Tier 2 Capital of the Issuer or the Group (as applicable).
- (c) Promptly upon determination of the same, the Issuer shall notify the Noteholders in accordance with Condition 11 of the Successor Rate or (as the case may be) the Alternative Rate and (in either case) the Adjustment Spread and any Benchmark Amendments, and the same shall take effect accordingly from the date of such notice and (subject to any further operation of this Condition 4.7) for all future Rate of Interest determinations. Notwithstanding any other provision of these Conditions, any such Benchmark Amendments shall take effect without any requirement for the consent or approval of the Noteholders.
- (d) The Issuer shall have no liability to the Noteholders for any determination made by it pursuant to this Condition 4.7 provided it has acted at all times in good faith.
- (e) The Original Reference Rate (including the provisions of Condition 4.3(b) and 4.3(c) above) will continue to apply until the relevant notice is given by the Issuer in accordance with Condition 4.7(c).
- (f) As used herein:

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

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) if no such formal recommendation or option has been made or provided, or in the case of an Alternative Rate, the Issuer, following consultation with the Noteholders, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) if the Issuer determines there is no such spread, formula or methodology customarily applied, the Issuer, following consultation with the Noteholders, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders;

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer determines is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest for a commensurate interest period and in pounds sterling;

“**Benchmark Amendments**” mean any amendments to these Conditions which the Issuer determines are necessary to ensure the proper operation of the Successor Rate or Alternative Rate (as applicable) and the Adjustment Spread;

“**Benchmark Event**” means, with respect to an Original Reference Rate:

- (A) the Original Reference Rate ceasing to be published on a permanent or indefinite basis or ceasing to exist; or
- (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences; or
- (E) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (F) it has or will prior to the next Determination Date become unlawful for the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation and to the extent applicable, under the Benchmarks Regulation (EU) 2016/1011 or such Regulation as retained in domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended),

provided that the Benchmark Event shall be deemed to occur:

- (i) in the case of paragraphs (C) and (D) above, on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate;
- (ii) in the case of paragraph (E) above, on the date of prohibition of use of the Original Reference Rate; and
- (iii) in the case of paragraph (F) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement (unless such dates coincide);

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as

applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

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

## **5. PAYMENTS**

### **5.1 Payments in respect of Notes**

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

### **5.2 Payments subject to applicable laws**

Payments in respect of principal, interest and any other amounts on the Notes 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 7 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.

### **5.3 No commissions**

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 5.

### **5.4 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.

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, if the Noteholder 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.

### **5.5 Partial payments**

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

## **6. REDEMPTION AND PURCHASE**

### **6.1 Maturity Date**

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed each at their principal amount on the Interest Payment Date falling in (or nearest to) December 2032 (the “**Maturity Date**”).

## 6.2 Redemption at the option of the Issuer

The Issuer may, in its sole discretion but subject to Condition 6.6, having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11 (which notice shall, subject to Condition 6.6, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes on the Interest Payment Date falling in (or nearest to) December 2027 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.

## 6.3 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 6.6, having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11 (which notice shall, subject to Condition 6.6, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount together with accrued and unpaid interest up to (but excluding) the date of redemption.

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 Notes under the Regulatory Capital Requirements that becomes effective on or after the Issue Date, the Notes are (or would be) fully or partially excluded from the Tier 2 Capital of the Issuer or the Group (as applicable).

## 6.4 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 6.6, having given not less than 15 nor more than 30 days' notice to Noteholders in accordance with Condition 11 (which notice shall, subject to Condition 6.6, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount together with accrued and unpaid interest up to (but excluding) the date of redemption.

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 on or 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 Notes;
- (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 Notes, or such a deduction is or would be reduced or deferred;
- (c) the Issuer is not or would not be able to treat the Notes as loan relationships for United Kingdom tax purposes;
- (d) the Issuer treats or would be required to treat any part of the Notes 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 Notes or any part of the Notes, or of the present value of the cashflows arising in respect of the Notes or any part of the Notes, into account in computing its taxable profits and losses;
- (e) the Issuer will not or would not, as a result of the Notes 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

(f) the Issuer will or would incur any other taxation liability or liabilities in relation to the Notes,

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

## **6.5 Purchases**

The Issuer or any of its Subsidiaries may, at its option but subject to Condition 6.6, purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise at any time in accordance with the then prevailing Regulatory Capital Requirements.

## **6.6 Conditions to redemption and purchase**

Any redemption of the Notes under Condition 6.2, 6.3 or 6.4 or any purchase of Notes under Condition 6.5 is subject to obtaining Regulatory Approval and to compliance with the Regulatory Preconditions.

## **6.7 Cancellations**

All Notes which are redeemed by the Issuer pursuant to this Condition 6 will be cancelled. All Notes 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.

## **6.8 Notices final**

Upon the expiry of any notice as is referred to in Condition 6.2, 6.3 or 6.4, the Issuer shall be bound (subject only to Condition 6.6) to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

# **7. TAXATION**

## **7.1 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 Notes 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 Noteholders after the withholding or deduction shall equal the amounts of interest which would have been receivable in respect of the Notes 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 Note:

- (a) held by or on behalf of a Noteholder who is liable to such Taxes in respect of such Note by reason of it having some connection with the United Kingdom other than the mere holding of the Note;
- (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 Noteholder 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 Noteholder 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.

## **7.2 Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 7 or under any undertakings given by the Issuer in addition to, or in substitution for, this Condition.

## **8. PRESCRIPTION**

Claims in respect of principal, interest and any other amounts in respect of the Notes 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 5.

## **9. ENFORCEMENT**

- (a) If default is made for a period of 30 days or more in the payment of any amount due in respect of the Notes, the Noteholders may, at their discretion and after taking such preliminary steps or actions as may be necessary, enforce payment by instituting proceedings for the winding up of the Issuer in England but may take no other action in respect of such default (save as provided in this Condition 9).
- (b) In the event of a Winding-Up (whether or not instituted pursuant to Condition 9(a)), any Noteholder may, by written notice to the Issuer, declare the Notes held by it to be due and payable, and they shall accordingly forthwith become immediately due and repayable at their principal amount, together with accrued and unpaid interest thereon.
- (c) Subject to applicable law, no remedy (including the exercise of any right of set-off or analogous event) against the Issuer other than as specifically provided by Conditions 9(a) and 9(b) will be available to the Noteholders.

## **10. 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.

## **11. NOTICES**

All notices regarding the Notes shall be valid if sent by post to the Noteholders at their respective addresses in the Register, or as may otherwise be agreed between the Issuer and the Noteholders 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 Notes 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 Noteholders from time to time.

## **12. MODIFICATION AND WAIVERS**

### **12.1 Modification and waiver**

The Issuer may, subject to obtaining Regulatory Approval if then required, from time to time modify and/or waive any provision or provisions of these Conditions either:

- (a) with the consent in writing of the holders of not less than three-quarters of the principal amount of Notes which are outstanding; or

- (b) without the need for the consent or approval of the holders (i) if, in the opinion of the Issuer, such amendment is not materially prejudicial to the interests of the Noteholders as a class or is of a formal, minor or technical nature or is to correct a manifest error or (ii) to implement any Benchmark Amendments pursuant to Condition 4.7.

## 12.2 Notification to the Noteholders

Any such modification or waiver shall be binding on the Noteholders (including any Noteholders who have not agreed to such modification or waiver) and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11.

## 13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes having (i) the same terms and conditions as the Notes 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 Notes; or (ii) such other terms and conditions as the Issuer may elect.

## 14. GOVERNING LAW

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

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

## 16. DEFINITIONS

In these Conditions:

“**Additional Amounts**” has the meaning given to it in Condition 7.1.

“**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;

“**Capital Disqualification Event**” has the meaning given to it in Condition 6.3.

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

“**Code**” has the meaning given to it in Condition 5.2.

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

“**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.

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

“**Interest Amount**” has the meaning given to it in Condition 4.4.

“**Interest Payment Date**” has the meaning given to it in Condition 4.1.

“**Interest Period**” means:

- (a) the period from and including the Issue Date to but excluding (1) the first Interest Payment Date or (2) (if applicable) such earlier date on which the relevant payment of interest falls due (which, if the Notes become due and payable prior to the Maturity Date in accordance with Condition 9, shall be the date on which the Notes become so due and payable); and
- (b) each successive period from and including an Interest Payment Date to but excluding (1) the next succeeding Interest Payment Date or (2) (if applicable) such earlier date on which the relevant payment of interest falls due (which, if the Notes become due and payable prior to the Maturity Date in accordance with Condition 9, shall be the date on which the Notes become so due and payable).

“**Issue Date**” means 19 December 2022.

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

“**Margin**” means 4.18 per cent per annum.

“**Maturity Date**” has the meaning given to it in Condition 6.1.

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

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

“**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).

“**Priority Indebtedness**” means the aggregate amount of (i) all Senior Claims, (ii) all Senior Non-Preferred Claims and (iii) all Subordinated Claims (if any) which rank, or are expressed to rank, in priority to claims in respect of the Notes.

“**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.

“**Rate of Interest**” has the meaning given to it in Condition 4.3.

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

“**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 the Group (as applicable).

“**Regulatory Preconditions**” means, in relation to any redemption or purchase of the Notes pursuant to Condition 6.2, 6.3, 6.4 or 6.5, 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 Notes 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; and
- (b) in the case of any redemption of the Notes prior to the fifth anniversary of the Issue Date pursuant to Condition 6.3 or Condition 6.4:
- (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 Notes 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 Notes in accordance with Condition 6.5 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 Notes 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 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); 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).

**“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).

**“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 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.

**“Shortfall”** means, in the event that (notwithstanding the subordination effected by Conditions 3.2 and 3.3) any amounts are paid to a Noteholder in a Winding-Up in respect of its claims in respect of any Note without all Priority Indebtedness first having been paid or discharged in full, the amount by which the aggregate amount paid or distributable by the liquidator, administrator or other insolvency official (as the case may be) in such Winding-Up in respect of the relevant Priority Indebtedness is less than the amount of the relevant Priority Indebtedness.

**“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 2006) 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 6.4.

**“Taxes”** has the meaning given to it in Condition 7.1.

**“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.

**“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 Notes for the time being outstanding and do not provide that the Notes 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.