

## Trust Deed

constituting £250,000,000 8.750 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent Convertible Securities

Dated 5 December 2024

**TSB BANKING GROUP PLC**

as Issuer

and

**CITICORP TRUSTEE COMPANY LIMITED**

as Trustee

## TABLE OF CONTENTS

	<b>Page no</b>
1 Interpretation .....	3
2 Amount of the Capital Securities and Covenant to Pay .....	6
3 Form of the Capital Securities .....	7
4 Stamp Duties and Taxes .....	8
5 Subordination of the Capital Securities .....	8
6 Application of Moneys Received by the Trustee .....	10
7 Conversion .....	11
8 Covenants .....	11
9 Remuneration and Indemnification of the Trustee .....	13
10 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000 .....	15
11 Trustee Liable for Negligence .....	20
12 Waiver .....	20
13 Trustee not Precluded from Entering into Contracts .....	21
14 Modification and Substitution .....	21
15 Enforcement .....	23
16 Appointment, Retirement and Removal of the Trustee .....	24
17 Communications .....	25
18 Further Issues .....	26
19 Governing Law and Jurisdiction .....	26

**This Trust Deed** is made on 5 December 2024 **between:**

- (1) **TSB BANKING GROUP PLC** registered in the United Kingdom as company number 08871766 and having its registered office at 19<sup>th</sup> Floor, 8 Bishopsgate, London, England, EC2N 4BQ (the “**Issuer**” and “**TSBBG**”); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED** (the “**Trustee**”, which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed).

**Whereas:**

- (A) The Issuer has authorised the issue of £250,000,000 8.750 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent Convertible Securities to be constituted by this Trust Deed.
- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

**This Deed witnesses and it is declared** as follows:

## **1 Interpretation**

**1.1 Definitions:** The following expressions have the following meanings:

“**Agency Agreement**” means the agreement referred to as such in the Conditions, as altered from time to time, and includes any other agreements approved in writing by the Trustee appointing Successor Agents or altering any such agreements;

“**Agent Bank**” means the agent bank for the time being in respect of the Capital Securities appointed from time to time under the Agency Agreement or an agreement supplemental to it;

“**Agents**” means the Principal Paying Agent, the Agent Bank, the Registrar and the Transfer Agent or any of them and shall include such other Agent or Agents as may be appointed from time to time hereunder and references to Agents are to them acting solely through their specified offices;

“**Alternative Clearing System**” means any additional or alternative clearing system (other than Euroclear or Clearstream, Luxembourg) approved by the Issuer, the Trustee and the Principal Paying Agent;

“**Appointee**” means any custodian, agent, delegate or nominee appointed by the Trustee pursuant to this Trust Deed;

“**Authorised Signatory**” means any person duly authorised for such purposes by the Board of Directors of the Issuer;

“**Benchmark Amendments**” has the meaning given to it in the Conditions;

“**Capital Securities**” means the £250,000,000 8.750 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent Convertible Securities of the Issuer which expression shall, if the context so permits, include the Global Certificate representing the Capital Securities;

“**Certificate**” means a certificate representing one or more Capital Securities and, save as provided in the Conditions, comprising the entire holding by a Holder of its Capital Securities

and, save in the case of Global Certificates, being substantially in the form set out in Part B of Schedule 1;

**“Clearstream, Luxembourg”** means Clearstream Banking S.A.;

**“Conditions”** means the terms and conditions set out in Schedule 2 as from time to time modified in accordance with this Trust Deed and, with respect to any Capital Securities represented by a Global Certificate, as modified by the provisions of such Global Certificate. Any reference to a particularly numbered Condition shall be construed accordingly;

**“Euroclear”** means Euroclear Bank SA/NV;

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

**“FSMA”** means the Financial Services and Markets Act 2000 as amended;

**“Global Certificate”** means a Certificate substantially in the form set out in Part A of Schedule 1 representing Capital Securities that are registered in the name of a nominee for Euroclear, Clearstream, Luxembourg and/or any other clearing system;

**“Holder”** means a person in whose name a Capital Security is registered in the register of Holders;

**“Liabilities”** means, unless otherwise indicated, any loss, damage, cost, claim, demand, expense, fees, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and properly incurred legal fees and expenses on a full indemnity basis;

**“outstanding”** means, in relation to the Capital Securities, all the Capital Securities issued except (a) those which have been converted or redeemed or written down in accordance with the Conditions, (b) those in respect of which the date for Conversion or redemption has occurred and the requisite TSBBG Ordinary Shares to be issued and delivered upon Conversion have been issued to the Settlement Shares Depository or redemption moneys (including all interest accrued on such Capital Securities to the date for such redemption and any interest payable under the Conditions after such date, except to the extent such accrued interest or other amounts of interest are or have been cancelled in accordance with the Conditions and this Trust Deed) have been duly paid to the Trustee or to the Principal Paying Agent as provided in Clause 2 and remain available for payment in accordance with the Conditions, (c) those which have become void and (d) those which have been purchased and cancelled as provided in the Conditions provided that for the purposes of (1) ascertaining the right to attend any meeting of the Holders and vote at any meeting of the Holders or to participate in any Written Resolution or Electronic Consent, (2) the determination of how many Capital Securities are outstanding for the purposes of Conditions 9 and 12 and Schedule 3, and (3) the exercise of any discretion, power or authority whether contained in this Trust Deed or provided by law, which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Holders, those Capital Securities which are beneficially held by or on behalf of the Issuer or any of its Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

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

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

“**specified office**” means, in relation to an Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Holders pursuant to Clause 8.10;

“**Subsidiary**” means, in relation to any other company, a company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006 of the United Kingdom) of such other company;

“**Successor**” means, in relation to the Agents, such other or further person as may from time to time be appointed by the Issuer as an Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Holders pursuant to Clause 8.10;

“**this Trust Deed**” means this Trust Deed and the Schedules hereto (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed;

“**Transfer Agent**” means the Transfer Agent(s) appointed under the Agency Agreement;

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

“**Trustee Acts**” means the Trustee Act 1925 and the Trustee Act 2000; and

“**TSBBG Ordinary Shares**” has the meaning given to it in the Conditions.

**1.2 Construction of Certain References:** References to:

1.2.1 the records of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers’ interests in the Capital Securities;

1.2.2 costs, fees, charges, remuneration or expenses include any value added, turnover or similar tax charged in respect thereof;

1.2.3 “**pounds sterling**” and “**£**” are to the lawful currency for the time being of the United Kingdom;

1.2.4 an action, remedy or method of judicial proceedings for the enforcement of creditors’ rights includes references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto;

1.2.5 “**reasonable**” or “**reasonably**” and similar expressions relating to the Trustee and any exercise of power, opinion, determination or other similar matter shall be construed as meaning reasonable or reasonably (as the case may be) having due regard to, and taking into account the interests of, the Holders; and

1.2.6 a “**liquidator**” include a bank liquidator and an “**administrator**” include a bank administrator.

**1.3 Headings:** Headings shall be ignored in construing this Trust Deed.

**1.4 Schedules:** The Schedules are part of this Trust Deed and have effect accordingly.

- 1.5 Alternative Clearing System:** References in this Trust Deed to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include reference to any Alternative Clearing System.
- 1.6 Contracts (Rights of Third Parties) Act 1999:** A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms.
- 1.7 The Conditions:** In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.
- 1.8 Amended Documents:** Save where the contrary is indicated, any reference in this Trust Deed to any other agreement or document shall be construed as a reference to such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

## **2 Amount of the Capital Securities and Covenant to Pay**

- 2.1 Amount of the Capital Securities:** The aggregate principal amount of the Capital Securities is limited to £250,000,000.
- 2.2 Covenant to pay:** The Issuer will (subject to Clause 5.1 and Conditions 3, 5 and 6, as applicable) (a) on any date when any Capital Securities become due to be converted, issue and deliver the relevant TSBBG Ordinary Shares to the Settlement Shares Depositary in accordance with the Conditions, and (b) on any date when any Capital Securities become due to be redeemed (other than upon a Trigger Event) unconditionally pay to or to the order of the Trustee in pounds sterling in same day funds the principal amount outstanding of the Capital Securities becoming due for redemption on that date and will (subject to the Conditions and this Trust Deed) until such payment or Conversion (both before and after judgment) unconditionally pay to or to the order of the Trustee interest on the principal amount of the Capital Securities outstanding as set out in the Conditions provided that, subject to the provisions of Clause 2.4, payment of any sum due in respect of the Capital Securities made to the Principal Paying Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the Holders under the Conditions. For the avoidance of doubt, the Issuer may at any time elect to cancel any accrued interest (or any part thereof) and/or any other interest which would otherwise be or become payable pursuant to the Conditions and this Trust Deed.

If the Issuer has been unable to appoint a Settlement Shares Depositary, it shall make such other arrangements for the issuance and delivery of the TSBBG Ordinary Shares to be issued and delivered upon Conversion to the Holders as it shall consider reasonable in the circumstances, which may include issuing and delivering the TSBBG Ordinary Shares to another independent nominee to be held for the Holders or to the Holders directly, which issuance and delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Capital Securities as if the relevant TSBBG Ordinary Shares had been issued and delivered to the Settlement Shares Depositary and, in which case, where the context so admits, references in this Trust Deed and the Conditions to the issue and delivery of TSBBG Ordinary Shares to the Settlement Shares Depositary shall be construed accordingly and apply *mutatis mutandis*.

The Trustee will hold the benefit of this covenant on trust for the Holders.

**2.3 Discharge:** Subject to Clause 2.4, any payment to be made in respect of the Capital Securities by the Issuer or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to that extent be a good discharge to the Issuer or the Trustee, as the case may be. Following the occurrence of a Trigger Event, the Issuer's obligations under the Capital Securities shall be irrevocably discharged and satisfied by the Issuer's issuance and delivery of the relevant TSBBG Ordinary Shares, credited as fully paid, to the Settlement Shares Depository on the Conversion Date in accordance with the Conditions.

**2.4 Agents of the Trustee:** At any time after the occurrence of any non-payment of principal when due as described in Condition 9, the Trustee may:

**2.4.1** by notice in writing to the Issuer and the Agents, require the Agents (or such of them as are specified by the Trustee), until notified by the Trustee to the contrary, so far as permitted by applicable law:

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

**2.4.2** by notice in writing to the Issuer, require it to make all subsequent payments in respect of the Capital Securities to or to the order of the Trustee and not to the Principal Paying Agent with effect from the issue of any such notice to the Issuer; and from then until such notice is withdrawn, the proviso in Clause 2.2 above shall cease to have effect.

### **3 Form of the Capital Securities**

**3.1 The Global Certificate:** The Capital Securities will initially be represented by the Global Certificate in registered form in the principal amount of £250,000,000, which shall be deposited with a depository common to both Euroclear and Clearstream, Luxembourg. The Global Certificate shall be registered in the name of the depository or its nominee. The Global Certificate will be exchangeable for Certificates as set out in the Global Certificate.

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

**3.3 Signature:** The Global Certificate and any other Certificates (if issued) will be signed manually or in facsimile by one or more Authorised Signatories designated by the Issuer and will be authenticated manually by or on behalf of the Registrar. The Issuer may use the

facsimile signature of a person who at the date of this Trust Deed is such an Authorised Signatory or an attorney thereof even if at the time of issue of any Capital Securities such person no longer holds that office or is no longer so authorised. Capital Securities represented by Certificates (including the Global Certificate) so executed and authenticated will be binding and valid obligations of the Issuer.

## **4 Stamp Duties and Taxes**

**4.1 Stamp Duties:** The Issuer will pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in the United Kingdom, Belgium and Luxembourg in respect of the creation and issue offering of the Capital Securities and the execution or delivery of this Trust Deed. The Issuer will also indemnify the Trustee and the Holders, on an after tax basis, from and against all stamp, issue, documentary or other taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be, the Holders to enforce the Issuer's obligations under this Trust Deed or the Capital Securities.

**4.2 Change of Taxing Jurisdiction:** If the Issuer becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to the United Kingdom, or any such authority of or in such territory then the Issuer will (unless the Trustee otherwise agrees) give the Trustee an undertaking satisfactory to the Trustee in terms corresponding to the terms of Condition 10 with the substitution for, or (as the case may require) the addition to, the references in that Condition to the United Kingdom of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer has become so subject. In such event, this Trust Deed and the Capital Securities will be read accordingly.

## **5 Subordination of the Capital Securities**

The Capital Securities constitute direct and unsecured and unguaranteed obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of Holders in respect of, or arising under, their Capital Securities (including any damages awarded for breach of obligations in respect thereof) are subordinated as described in this Clause 5 and in Condition 3.

**5.1 Subordination:** Except in a Winding-Up, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Capital Securities (other than payments to the Trustee for its own account under this Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6(a)(i), conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount (other than any amount due and payable to the Trustee for its own account under this Trust Deed) shall be due and payable in respect of, or arising from, the Capital Securities or this Trust Deed except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.

For the purposes of this Trust Deed and the Conditions, the Issuer shall be considered to be solvent if (i) it is able to pay its debts owed to its Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities (for these purposes, as defined in the Conditions).

A certificate as to the solvency of the Issuer by an Authorised Signatory (or if there is a winding-up or administration of the Issuer, an authorised signatory of the liquidator or, as the case may be, the administrator of the Issuer) shall be treated and accepted by the Issuer,



the Trustee, the Holders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without further enquiry and without liability to any person.

Any payment of interest not due by reason of this Clause 5.1 shall not be or become payable at any time and shall be cancelled as provided in Condition 5(e).

- 5.2 Certificates:** The Issuer may at any time and shall whenever requested by the Trustee procure that two Authorised Signatories of the Issuer shall give a certificate in writing as to whether or not the Issuer is or would in any specified circumstances be solvent for the purposes of Condition 3(b) and Clause 5.1. The Trustee shall not be obliged at any time to request any such certificate and, in the absence of any such certificate to the contrary, it shall for the purposes of this Trust Deed be assumed (unless the contrary is proved prior to the date of payment) that the Issuer is and will after any payment under this Trust Deed be solvent for such purposes. In the absence of manifest error any such certificate shall be treated and accepted by the Issuer, the Trustee, the Holders and all other interested parties as correct and sufficient evidence of the facts stated therein. The failure of the Issuer to give a certificate described in this Clause 5.2 shall not invalidate any cancellation of interest or constitute a default or an event of default for any purpose.
- 5.3 Winding-Up:** In the event of a Winding-Up, the provisions of Condition 3(c) and Condition 9 shall apply, as appropriate.
- 5.4 Set-off:** Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, compensation, counterclaim or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities or this Trust Deed and each Holder shall, by virtue of its holding of any Capital Security (or any beneficial interest therein), be deemed, to the fullest extent permitted under applicable law, to have waived all such rights of set-off, netting, compensation, counterclaim or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Capital Securities is discharged by set-off, netting, compensation, counterclaim or retention, such Holder 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 or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.
- 5.5 Payment of the Trustee's costs:** The foregoing provisions of this Clause 5 and Condition 3 apply only to amounts payable to Holders (or to the Trustee on their behalf) in respect of the Capital Securities and nothing in this Clause 5, Condition 6 or Condition 9 shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration payable to the Trustee pursuant to and in accordance with Clause 9.
- 5.6 Subordination not to affect other rights:** Nothing contained in this Trust Deed shall in any way restrict the right of the Issuer to create, issue, incur, give or assume obligations or guarantees of obligations ranking in priority to, or *pari passu* with, or junior to, the obligations of the Issuer in respect of the Capital Securities and if any modification to the provisions of this Clause 5 and/or Condition 3 to permit such ranking is necessary or expedient the Trustee is hereby authorised and entitled, but not obliged, without any consent or sanction of the

Holders, to concur with the Issuer in executing a supplemental trust deed effecting such modification.

## **6 Application of Moneys Received by the Trustee**

**6.1 Declaration of Trust:** All moneys received by the Trustee in respect of the Capital Securities or amounts payable under this Trust Deed will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them (subject to Clause 6.2):

**6.1.1** *first*, in payment of the Liabilities incurred by or payable to the Trustee (including remuneration and other amounts payable to it under this Trust Deed) or any Appointee in carrying out its functions under this Trust Deed;

**6.1.2** *secondly*, in payment of the Liabilities incurred by or payable to the Agents (including remuneration and other amounts payable to them under the Agency Agreement) in carrying out their functions under the Agency Agreement;

**6.1.3** *thirdly*, (except where Condition 3(c) applies) if prior to receipt of any such moneys the Trustee is provided with a certificate pursuant to Clause 5.2 which states that the Issuer could not make or could not have made such payment in whole or in part and still be solvent for the purposes of Clause 5.1 immediately thereafter, in the return to the Issuer (in each case after any necessary deductions pursuant to sub-paragraph 6.1.1 and 6.1.2 of this Clause) of the whole of such payment, or (if less) such part thereof as could not have been made without thereby rendering the Issuer insolvent (and any moneys so returned shall then be treated for the purposes of the Issuer's obligations under this Trust Deed as if they had not been paid by the Issuer and their original payment shall not be deemed to have discharged any of the obligations of the Issuer under this Trust Deed);

**6.1.4** *fourthly*, in payment of any amounts owing in respect of the Capital Securities (which shall, following a Winding-Up be as determined in accordance with Clause 5.3) *pari passu* and rateably; and

**6.1.5** *fifthly*, in payment of any balance to the Issuer for itself.

If the Trustee holds any moneys in respect of the Capital Securities which have become void, the Trustee will hold them on these trusts.

**6.2 Accumulation:** If the amount of the moneys at any time available for payment in respect of the Capital Securities under Clause 6.1 is less than 10 per cent. of the principal amount of the Capital Securities then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the principal amount of the Capital Securities then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 6.1.

**6.3 Investment:** Moneys held by the Trustee may be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest which would, at then current rates, be payable by it on such a deposit to

an independent customer but the Issuer acknowledges that if such rates have a negative value such that the application thereof would result in amounts being debited from the moneys so invested, the Trustee shall not be liable to make up any shortfall or be liable for any loss. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise.

## **7 Conversion**

**7.1 Adjustment to the Conversion Price:** The Issuer hereby undertakes to and covenants with the Trustee that, so long as any Capital Security remains outstanding, it will, whenever the Conversion Price is required to be adjusted in accordance with Condition 6(d), as soon as practicable thereafter, deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer (which the Trustee shall be entitled to accept without further enquiry as sufficient evidence of the correctness of the matters therein referred to) setting forth brief particulars of the event giving rise to the adjustment, the adjusted Conversion Price, the date on which the adjustment takes effect and such other particulars and information as the Trustee may reasonably require.

**7.2 Notice of Adjustment to the Conversion Price:** As soon as practicable after a certificate has been delivered to the Trustee pursuant to Clause 7.1 above, and in any event within 14 days thereafter, the Issuer shall give notice to the Holders in accordance with Condition 14 of the adjustment to the Conversion Price and of the date on which the relevant adjustment of the Conversion Price is expected to become or became effective.

## **8 Covenants**

So long as any Capital Security is outstanding, the Issuer will:

**8.1 Books of Account:** keep, and procure that each of its Subsidiaries (if any) keeps, proper books of account and, at any time after the occurrence of a Winding-Up or any non-payment of sums when due (as provided in Condition 9) or if the Trustee has reasonable grounds to believe that any such event has occurred, so far as permitted by applicable law, allow, and procure that each such Subsidiary will allow, the Trustee and anyone appointed by it to whom the Issuer and/or the relevant Subsidiary has no reasonable objection, access to its books of account at all reasonable times during normal business hours;

**8.2 Notice of Cancellation of Interest, Relevant Events and Breaches:** immediately and, in any event, within any timeframe specified therefor in the Conditions, notify the Trustee in writing of the occurrence of any mandatory cancellation of an interest payment, any discretionary cancellation of an interest payment, the occurrence of a Trigger Event, a Winding-Up or any non-payment of sums when due (as provided in Condition 9);

**8.3 Information:** so far as permitted by applicable law, give the Trustee such information as it reasonably requires to perform its functions;

**8.4 Financial Statements etc.:** (i) publish on the Issuer's website its audited annual financial statements at the time of their issue and in any event within 180 days after the end of each financial year; and (ii) send to the Trustee at the time of their issue, one copy in English of every report or other notice or circular issued to the members or creditors (as a class) of the Issuer generally in their capacity as such;

- 8.5 Benchmark Amendment:** no later than notifying the Trustee, pursuant to Condition 4(i), deliver to the Trustee a certificate (on which the Trustee shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories of the Issuer certifying that each change which the Issuer requires the Trustee to make pursuant to Condition 4(i) is a Benchmark Amendment (as defined in the Conditions) and that the effect of the required drafting of such change is solely to implement a Benchmark Amendment;
- 8.6 Certificate of Authorised Signatories:** send to the Trustee, within 14 days of its annual audited financial statements being made available to its members, and also within 14 days of any request by the Trustee, a certificate (substantially in the form set out in Schedule 4) of the Issuer signed by any two Authorised Signatories certifying that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Authorised Signatories as at a specified date (the “**Certification Date**”) not earlier than five days before the date of delivery of the certificate (i) no Winding-Up or any non-payment of sums when due in respect of the Capital Securities (as provided in Condition 9) has occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it and (ii) during such period specified in (i) above, the Issuer has complied in all material respects with its obligations contained in this Trust Deed, or, if such is not the case, giving the relevant details;
- 8.7 Notices to Holders:** send to the Trustee for approval at least five London business days in advance of any publication the form of each notice to be given to Holders and, once given, a copy of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purposes of section 21 of the FSMA of any such notice which is a communication within the meaning of section 21 of the FSMA);
- 8.8 Further Acts:** so far as permitted by applicable law, do all such further things as may be necessary in the opinion of the Trustee to give effect to this Trust Deed;
- 8.9 Notice of Late Payment:** forthwith upon request by the Trustee give notice to the Holders of any unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of the Capital Securities made after the due date for such payment;
- 8.10 Listing and Trading:** use all reasonable endeavours to obtain and maintain the listing and admission to trading of the Capital Securities on the International Securities Market (the “**ISM**”) of the London Stock Exchange plc provided, however, that if at any time (1) the Issuer, having used such endeavours, is unable to comply with the requirements for maintaining the listing and admission to trading of the Capital Securities or (2) if the requirements for maintaining such listing or trading, in the sole discretion of the Issuer, have become unduly onerous, the Issuer shall use all reasonable endeavours to obtain and maintain a listing of the Capital Securities on another stock exchange and the admission to trading of the Capital Securities on another market, in each case approved in writing by the Trustee and, if so requested by the Trustee, enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to these presents as the Trustee may reasonably require or as shall be requisite to comply with the requirements of any such stock exchange or market;
- 8.11 Change in Agents:** give at least 14 days’ prior notice to the Holders in accordance with Condition 15 of any future appointment, resignation or removal of an Agent or of any change by an Agent of its specified office and not make any such appointment or removal without the Trustee’s prior written approval;

- 8.12 Capital Securities held by Issuer or Subsidiary:** send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the Issuer (signed on its behalf by two Authorised Signatories) stating the number of Capital Securities held at the date of such certificate by or on behalf of the Issuer or any of its Subsidiaries;
- 8.13 Cancellation of Interest:** if practicable, give or procure that there be given to the Holders notice in accordance with Condition 15 of any cancellation of interest pursuant to and in accordance with the Conditions on or prior to the relevant Interest Payment Date. However, any failure to provide such notice will not invalidate the relevant cancellation of interest or constitute a default or an event of default for any purpose;
- 8.14 Relevant Authority Notification, Permission and Non-Objection:** (i) where confirmation from the Relevant Authority (as defined in the Conditions) that it permits or does not object to, as applicable, the taking of any action under the Conditions or this Trust Deed is required to be obtained before such action is taken, give the requisite period of notice as provided for in the Conditions or this Trust Deed before taking such action (provided such notice is required to be given under the Regulatory Capital Requirements (as defined in the Conditions) at the relevant time) and (ii) in the event that it has received confirmation from the Relevant Authority of such permission or non-objection, as applicable, being granted by the Relevant Authority, confirm in writing to the Trustee that the Issuer has received such permission or non-objection, as applicable; and
- 8.15 Trigger Event:** be responsible for determining whether a Trigger Event has occurred and the Trustee shall accept such determination without any further enquiry as sufficient evidence of such matters, and such determination will be conclusive and binding on the Trustee and the Holders.

## **9 Remuneration and Indemnification of the Trustee**

- 9.1 Normal Remuneration:** So long as any Capital Security is outstanding the Issuer will pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Holder of moneys due in respect of any Capital Security is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment to such Holder is duly made.
- 9.2 Extra Remuneration:** If (a) an order shall have been made or effective resolution for the Winding-Up of the Issuer shall have been passed; or (b) there has been any non-payment of the sums when due in respect of the Capital Securities (as provided by Condition 9), the Issuer hereby agrees that the Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. In any other case, if the Trustee finds it expedient or necessary or is requested by the Issuer to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Issuer will pay such additional remuneration as they may agree (and which may be calculated by reference to the Trustee's normal hourly rates in force from time to time) or, failing agreement as to any of the matters in this Clause (or as to such sums referred to in Clause 9.1), as determined by a financial institution or person (acting as an expert) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such financial institution's or person's fee will be borne by the Issuer. The determination of such financial

institution or person will be conclusive and binding on the Issuer, the Trustee and the Holders.

**9.3 Expenses:** The Issuer will also on demand by the Trustee pay or discharge all costs, charges, claims, fees, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed and the exercise of its powers and the performance of its functions under this Trust Deed including, but not limited to, legal and travelling expenses and any stamp, issue, registration, documentary or other taxes or duties paid by the Trustee in connection with any legal proceedings reasonably brought or contemplated by the Trustee against the Issuer to enforce any provision of this Trust Deed or the Capital Securities. Such costs, charges, Liabilities and expenses will:

**9.3.1** in the case of payments actually made by the Trustee prior to such demand, (if not paid within seven days of such demand and the Trustee so requests) carry interest at the rate per annum equal to two per cent. above the Bank of England base rate or, if the Trustee has incurred a borrowing to make such payment, at the rate of interest payable by the Trustee in respect of such borrowing, in each case from the date of the same being demanded or incurred, as the case may be; and

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

All remuneration payable to the Trustee shall carry interest at such rate from the due date thereof until the date of payment.

**9.4 Indemnity:** Subject to Section 750 of the Companies Act 2006, without prejudice to the right of indemnity by law given to trustees, the Issuer undertakes to indemnify the Trustee (except where the Trustee is indemnified by the Holder) on an after tax basis in full in respect of all expenses and Liabilities (including any irrecoverable VAT in respect thereof) to which it (or any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by or pursuant to this Trust Deed or the Agency Agreement) may be or become liable or which may be incurred by it (or any such person as aforesaid) in the execution or purported execution of any of its trusts, powers, authorities and discretions hereunder or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Trust Deed, or the Agency Agreement, save where the same arises as the result of the fraud, gross negligence or wilful default of the Trustee or its officers or employees. The Trustee shall not be entitled to be paid twice in respect of the same matter or claim pursuant to the indemnity in this Clause 9.4.

**9.5 Deductions, withholding etc.:** The Issuer hereby further undertakes to the Trustee that all monies payable by the Issuer to the Trustee under this Clause 9 shall be made without set-off, counterclaim, deduction or withholding unless compelled by law in which event the Issuer will pay such additional amounts as will result in the receipt by the Trustee of the amounts which would otherwise have been payable by the Issuer to the Trustee under this Clause 9 in the absence of any such set-off, counterclaim, deduction or withholding.

**9.6 Continuing Effect:** Clauses 9.3, 9.4 and 9.5 will continue in full force and effect as regards the Trustee even if it no longer is Trustee (whether by reason of the resignation or removal of the Trustee or by reason of the termination or discharge of this Trust Deed).

## **10 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000**

- 10.1 Advice:** The Trustee may obtain (at the Issuer's cost) and act on the opinion, evaluation, certificate, report or advice of, or information obtained from, any lawyer, banker, auditor, valuer, surveyor, broker, auctioneer or any other professional adviser or expert and will not be responsible to anyone for any loss occasioned by acting or not acting on such opinion, evaluation, certificate, report, advice or information whether such opinion, evaluation, certificate, report, advice or information is obtained or addressed to the Issuer, the Trustee or any other person. Any such opinion, evaluation, certificate, report, advice or information may be sent or obtained by letter, fax, electronic communication or email and the Trustee will not be liable to anyone for acting or not acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic. The Trustee may rely without liability to Holders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to the Trustee and whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise.
- 10.2 Trustee to Assume Performance:** The Trustee need not notify anyone of the execution of this Trust Deed or do anything to monitor or find out if there has been a non-payment of sums due in respect of the Capital Securities (as set out in Condition 9) or whether any Trigger Event, Tax Event, Capital Disqualification Event or Winding-Up has occurred. Until it has received written notice to the contrary, the Trustee may assume (without liability to any person) that no such event has occurred and that the Issuer is performing all of its obligations under this Trust Deed and the Capital Securities. The Trustee shall not be liable for a breach by any other person of this Trust Deed, the Agency Agreement or the Capital Securities.
- 10.3 Interests of Holders:** In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed or any proposed substitution in accordance with Clause 14.2 or any determination made pursuant to Clause 10.13), the Trustee shall have regard to the interests of the Holders as a class and, in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim from the Issuer or the Trustee, any indemnification or payment of any tax arising in consequence of any such exercise upon individual Holders.
- 10.4 Resolutions of Holders:** The Trustee will not be responsible for having acted in good faith on a resolution purporting: (i) to have been passed at a meeting of Holders in respect of which minutes have been made and signed or (ii) to be a Written Resolution or Electronic Consent made in accordance with Schedule 3, even if it is later found that there was a defect in the constitution of such meeting or the passing of such resolution or that such resolution was not valid or binding on the Holders.
- 10.5 Certificate signed by Authorised Signatories:** If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or matter or the expediency of any act, it may call for and accept as sufficient evidence of that fact or matter or the expediency of that act a certificate, declaration or other document signed by any Authorised Signatory of the Issuer as to that fact or matter or to the effect that, in the opinion of the Authorised Signatory, that act is expedient and the Trustee need not call for further

evidence and will not be responsible for any loss occasioned by acting or refraining from acting on such a certificate, declaration or document.

- 10.6 Deposit of Documents:** The Trustee may at its own expense appoint as custodian, on any terms, any bank or entity whose business includes undertaking the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.
- 10.7 Discretion:** Save as otherwise expressly provided in this Trust Deed, the Trustee will, as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee will not be responsible for any Liability which may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Holders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured and/or pre-funded to its satisfaction.
- 10.8 Agents:** The Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).
- 10.9 Delegation:** The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Holders. Notice of any such delegation shall be given to the Issuer as soon as reasonably practicable.
- 10.10 Nominees:** In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its custodian or nominee on any terms.
- 10.11 Forged Capital Securities:** The Trustee will not be liable to the Issuer or any Holder by reason of having accepted as valid or not having rejected any Capital Security or entry on the Register purporting to be such and later found to be forged or not authentic.
- 10.12 Confidentiality:** Unless ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Holder any confidential financial or other information made available to the Trustee by the Issuer.
- 10.13 Determinations Conclusive:** As between itself and the Holders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed or the Capital Securities. Every such determination, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Trustee and the Holders.



- 10.14 Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may be specified by the Trustee, in consultation with the Issuer, but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer and the Holders.
- 10.15 Payment for and Delivery of Capital Securities:** The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Capital Securities, any exchange of Capital Securities or the delivery of Capital Securities to the persons entitled to them.
- 10.16 Capital Securities held by the Issuer etc.:** In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate under Clause 8.11) that no Capital Securities are for the time being held by or on behalf of the Issuer or its Subsidiaries.
- 10.17 Consent of Trustee:** Any consent or approval given by the Trustee may be given on such terms and subject to such conditions as the Trustee reasonably thinks fit and, notwithstanding anything to the contrary contained in this Trust Deed, may be given retrospectively.
- 10.18 Responsibility for Appointees:** If the Trustee exercises reasonable care in selecting any Appointee, it will not have any obligation to monitor, oversee or supervise such Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's act, misconduct, omission or default or the act, misconduct, omission or default of any substitute appointed by the Appointee.
- 10.19 Illegality:** Notwithstanding anything else herein contained, the Trustee may refrain, without liability, from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law or any direction or regulation of any agency of any such jurisdiction (including but not limited to the European Union, the United States of America or, in either case, any jurisdiction forming a part of it and England and Wales). Furthermore the Trustee may refrain, without liability from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based up such legal advice, it would not have the power to do the relevant thing by virtue of any applicable law or if it is determined by any court or other competent jurisdiction in that jurisdiction (including but not limited to the European Union, the United States of America or, in either case, any jurisdiction forming a part of it and England and Wales) that it does not have such power. The Trustee may also, without liability, take any action in any jurisdiction which is, in its opinion based upon legal advice in the relevant jurisdiction, necessary to comply with any law or any directive or regulation of any agency of any such jurisdiction. The Trustee shall, as soon as reasonably practicable (and subject to any applicable law or confidentiality or regulatory restrictions) inform the Issuer if, pursuant to this Clause 10.19, it will refrain from doing anything hereunder.
- 10.20 Not Bound to Act:** The Trustee shall not be bound to take any action, step or proceeding in connection with this Trust Deed or any obligations arising hereunder or otherwise, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, unless it has been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities which may be incurred in connection with such action, step or proceeding and may demand prior to taking any such action that there be paid to it in

advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so as to indemnify and/or secure and/or pre-fund it and, on such demand being made, the Issuer shall be obliged to make payment of all such sums in full. When determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and, for this purpose, it may take into account, without limitation, the potential costs of defending or commencing proceedings in England or elsewhere and the risk, however remote, of any award of damages against it, in England or elsewhere and (ii) to require that any indemnity and/or security and/or pre-funding given to it by the Holders or any of them or any other person be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the indemnity, security and/or pre-funding.

- 10.21 Incurrence of Financial Liability:** Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any power, rights, authority or discretion hereunder if it has grounds for believing the repayment of the funds or the provision of an indemnity and/or security and/or pre-funding satisfactory to it against such risk or liability is not assured to it.
- 10.22 Clearing Systems:** The Trustee may call for any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system in relation to any matter. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print-out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay or Clearstream, Luxembourg's CreationOnline or Xact Web Portal) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Capital Securities is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg or any other relevant clearing system and subsequently found to be forged or not authentic.
- 10.23 Legal Opinions:** The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Capital Securities or for checking or commenting upon the content of any such legal opinion.
- 10.24 No obligation to monitor other parties' performance:** The Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Capital Securities or any other agreement or document relating to the transactions herein or therein contemplated, including, without limitation, compliance by the Issuer with the covenants and provisions set out in the Capital Securities and this Trust Deed or take any steps to ascertain whether any relevant event under the Conditions has occurred (including any Trigger Event, Winding-Up, Capital Disqualification Event or Tax Event). The Trustee shall be entitled, in the absence of receipt of written notice of a breach of obligation, to assume that each such person is properly performing and complying with its obligations and shall have no liability for any loss arising from any breach by that person or any such event.

- 10.25 No Responsibility for transaction documents:** The Trustee assumes no responsibility for, and shall not, by the execution of this Trust Deed, any supplemental Trust Deed or any other transaction document relating to the Capital Securities, be deemed to make any representation as to, the adequacy, sufficiency, validity or enforceability of such transaction documents or any agreement constituted by the execution thereof.
- 10.26 Interests of Holders through Clearing Systems:** In considering the interests of Holders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Capital Securities represented by the Global Certificate.
- 10.27 Refraining from action:** The Trustee may refrain from taking such action if it would otherwise render it liable to any person in any jurisdiction or if, in its opinion based upon legal advice in the relevant jurisdiction, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.
- 10.28 Entry on the Register:** The Trustee shall not be liable to the Issuer or any Holder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct.
- 10.29 Right to deduct or withhold:** Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.
- 10.30 Ratings:** For the purpose of determining whether or not the exercise by the Trustee of any of its trusts, powers, authorities, duties and discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution) is materially prejudicial to the interests of the Holders, the Trustee shall be entitled to rely on (but shall not be bound by) any confirmation from any rating agency that such exercise would not adversely affect the rating (if any) of the Capital Securities.
- 10.31 FSMA:** Notwithstanding anything in this Trust Deed or any other document to the contrary, the Trustee shall not be required to do anything which might constitute a regulated activity for the purposes of the FSMA unless it is authorised under FSMA to do so. The Trustee shall

have discretion at any time: (i) to delegate any of the functions which fall to be performed by an authorised person under FSMA to any other agent or person which also has the necessary authorisations and licenses; and (ii) to apply for authorisation under FSMA and perform any or all such functions itself if, in its absolute discretion, it considers it necessary, desirable or appropriate to do so.

**10.32 Professional charges:** Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them or their partner or firm on matters arising in connection with the trusts of this Trust Deed and also their reasonable charges in addition to disbursements for all other work and business done and all time spent by them or their partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

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

## **11 Trustee Liable for Negligence**

Subject to section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in this Trust Deed, the Capital Securities or the Agency Agreement, nothing in this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of this Trust Deed conferring on it any trusts, powers, authorities or discretions relieve or indemnify the Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, wilful default or fraud of which it may be guilty in relation to its duties under this Trust Deed. Notwithstanding any provision of this Trust Deed to the contrary, the Trustee shall not in any event be liable for:

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

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

## **12 Waiver**

The Trustee may, without the consent of the Holders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Holders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer of this Trust Deed or the Conditions, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 9. No such direction or request will affect a previous waiver, authorisation or

determination. Any such waiver, authorisation or determination will be binding on the Holders and unless the Trustee agrees otherwise, will be notified by the Issuer to the Holders as soon as practicable thereafter.

### **13 Trustee not Precluded from Entering into Contracts**

Neither the Trustee nor any director or officer of any corporation being a trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary of the Issuer, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary of the Issuer, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary of the Issuer or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary of the Issuer, and neither the Trustee nor any such director or officer shall be accountable to the Holders or the Issuer or any Subsidiary of the Issuer, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary of the Issuer, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for their own benefit.

### **14 Modification and Substitution**

**14.1 Modification:** The Trustee may agree, without the consent of the Holders, to (i) any modification of the Conditions or of any other provisions of this Trust Deed or the Agency Agreement which in its opinion is (i) of a formal, minor or technical nature or is made to correct a manifest error; and (ii) any other modification to (except as mentioned herein and provided that such power does not extend to any such modification which requires the passing of a special quorum resolution as referred to in the proviso to paragraph 2.9 of Schedule 3).

Further, the Trustee shall agree, without the consent of the Holders, to any Benchmark Amendments in accordance with Condition 4(j), or any modifications pursuant to Conditions 6(e)(iii), 6(f) and 7(g), subject to the terms thereof and receiving the certificate of an Authorised Signatory as described therein.

Any such modification, authorisation or waiver shall be binding on the Holders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Holders in accordance with Condition 15 as soon as practicable thereafter.

No modification to the Conditions or any other provisions of this Trust Deed shall become effective unless (if and to the extent required at the relevant time by the Relevant Authority) the Issuer shall have given at least 30 days' prior written notice thereof to, and received Supervisory Permission therefor from, the Relevant Authority (or such other period of notice as the Relevant Authority may from time to time require or accept and, in any event, provided that there is a requirement to give such notice and obtain such Supervisory Permission).

#### **14.2 Substitution:**

**14.2.1** The Trustee may, without the consent of the Holders, agree to the substitution on a subordinated basis equivalent to that referred to in Condition 3 of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business (any such entity, the "**Substitute Obligor**") in place of the Issuer (or any previous

Substitute Obligor under this Clause 14.2 and Condition 12(c)) as the principal debtor under this Trust Deed and the Capital Securities provided that:

- (i) a deed is executed or undertaking given by the Substitute Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed and the Capital Securities (with any consequential amendments as the Trustee may deem appropriate) as if the Substitute Obligor had been named in this Trust Deed and the Capital Securities as the principal debtor in place of the Issuer (or any previous Substitute Obligor, as the case may be);
- (ii) where the Substitute Obligor is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political sub-division thereof or any authority therein or thereof having the power to tax, undertakings or covenants shall be given by the Substitute Obligor in terms corresponding to the provisions of Condition 10 with the substitution for (or, as the case may be, the addition to) the references to the United Kingdom of references to that other or additional territory in which the Substitute Obligor is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and (where applicable) Condition 7(d) shall be modified accordingly;
- (iii) two directors or two duly authorised signatories of the Substitute Obligor (acceptable to the Trustee) shall certify in writing to the Trustee that it will be solvent at the time at which such substitution is effected (upon which certification the Trustee may rely upon absolutely without enquiry and without liability to any person). The Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the Substitute Obligor or to compare the same with those of the Issuer (or previous substitute);
- (iv) such substitution shall not give rise to a Tax Event, a Capital Disqualification Event or a Trigger Event; and
- (v) without prejudice to the rights of reliance of the Trustee under (iii) above, the Trustee is satisfied that the interests of the Holders will not be materially prejudiced by the substitution.

**14.2.2 Release of Substituted Issuer:** An agreement by the Trustee pursuant to this Clause 14.2 will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under this Trust Deed and the Capital Securities. Notice of the substitution will be given to the Holders by the Issuer within 14 days of the execution of such documents and compliance with such requirements.

**14.2.3 Completion of Substitution:** On completion of the formalities set out in this Clause 14.2, the Substitute Obligor will be deemed to be named in this Trust Deed and the Capital Securities as the principal debtor in place of the Issuer (or of any previous substitute) and this Trust Deed, the Agency Agreement and the Capital Securities will be deemed to be amended as necessary to give effect to the substitution.

**14.3 Liability:** Notwithstanding anything to the contrary in this Trust Deed, the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (A) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) imposing

more onerous obligations upon it or exposing it to any additional duties, responsibilities or liabilities or reducing or amending (in a manner which is adverse to the Trustee, as determined by the Trustee in its sole discretion) the protective provisions afforded to it under this Trust Deed, the Conditions or the Agency Agreement.

#### **14.4 Supervisory Permission of the Relevant Authority**

**14.4.1** In connection with any proposed modification to the Capital Securities, the Conditions or this Trust Deed pursuant to Clause 14.1 or substitution of the Issuer pursuant to Clause 14.2, the powers of the Trustee to concur with the Issuer in making any modification to the Conditions or agreeing to any substitution shall only be exercised by the Trustee subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Relevant Authority. The Trustee may rely without further enquiry and without liability to any person on any written confirmation provided to it by the Issuer in relation to the Issuer's communications with the Relevant Authority in this regard; and

**14.4.2** for the purposes of Schedule 3 in relation to any meetings of Holders, the powers of a meeting of Holders to sanction any proposal for the alteration, abrogation, variation, compromise of, or arrangement in respect of, the rights of the Holders against the Issuer and the powers to assent to any alteration of the provisions contained in this Trust Deed in respect of the Capital Securities or in the Capital Securities which shall be proposed by the Issuer or the Trustee, shall, to the extent that this involves an alteration of the Conditions or this Trust Deed, be subject to the Issuer having obtained any requisite Supervisory Permission to such alteration (provided that there is a requirement to obtain such Supervisory Permission) and the provisions of Schedule 3 shall take effect accordingly.

### **15 Enforcement**

**15.1 Non-Payment:** At any time following an event of non-payment described in Condition 9(a), and subject as further provided therein, the Trustee may, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer.

In the event of a Winding-Up, the Trustee in its discretion may, or (subject to Clause 15.4) if so requested by an Extraordinary Resolution or in writing by the Holders of at least one-quarter in principal amount of the Capital Securities then outstanding shall, prove and/or claim in such Winding-Up, such claim being as contemplated in Condition 3(c).

**15.2 Enforcement:** The Trustee may, at its discretion and without notice, institute such steps, actions or proceedings 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) under this Trust Deed or the Capital Securities (other than any payment obligation of the Issuer under or arising from the Capital Securities or this Trust Deed, including, without limitation, payment of any principal or interest in respect of the Capital Securities, including any damages awarded for breach of any obligations), provided that in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to the Conditions and this Trust Deed.

**15.3 Entitlement of Trustee:** The Trustee shall not be bound to take any of the actions referred to in Clause 15 against the Issuer to enforce the terms of this Trust Deed or the Capital

Securities unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-quarter in Principal Amount of the Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

**15.4 Right of Holders:** No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails or is unable to do so within a reasonable period and such failure or inability shall be continuing, in which case the Holder shall, with respect to the Capital Securities held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Capital Securities.

**15.5 Extent of Holders' and Trustee Remedies:** No remedy against the Issuer, other than as referred to above, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or under this Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities or under this Trust Deed. The provisions of this Clause 15 shall not, however, apply to any amount due and payable to the Trustee under this Trust Deed for its own account.

## **16 Appointment, Retirement and Removal of the Trustee**

**16.1 Appointment:** Subject as provided in Clause 16.2 below, the Issuer has the power of appointing new trustees but no-one may be so appointed unless previously approved by an Extraordinary Resolution. A trust corporation will at all times be a trustee hereof and may be the sole trustee hereof. Any appointment of a new trustee or trustees hereof will be notified by the Issuer to the Holders as soon as practicable.

**16.2 Retirement and Removal:** Any Trustee for the time being of this Trust Deed may retire at any time on giving not less than 90 days' written notice to the Issuer and without giving any reason and without being responsible for any costs occasioned by such retirement and the Holders may by Extraordinary Resolution remove any Trustee, provided that the retirement or removal of any sole trustee or sole trust corporation will not be effective until a trust corporation is appointed as successor trustee hereof. If a sole trustee or sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal under this Clause, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee but if it fails to do so before the expiry of such 90 day notice period referred to in this Clause 16, the Trustee shall have the power (at the expense of the Issuer) to appoint a new Trustee.

**16.3 Co-Trustees:** The Trustee may, despite Clause 16.1, by written notice to the Issuer appoint anyone to act as an additional trustee hereof jointly with the Trustee:

**16.3.1** if the Trustee considers such appointment to be in the interests of the Holders; or

**16.3.2** for the purpose of complying with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed; or

**16.3.3** for the purpose of obtaining a judgment or to enforce a judgment already obtained or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer and



that person remove that person. At the Trustee's request, the Issuer will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

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

**16.5 Merger:** Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause 16.5, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

## **17 Communications**

Any communication shall be by letter, fax (in the case of the Trustee only) or electronic communication:

in the case of the Issuer, to it at:

TSB Banking Group plc  
19<sup>th</sup> Floor, 8 Bishopsgate  
London EC2N 4BQ  
United Kingdom

Email: securedfunding@tsb.co.uk  
Attention: Wholesale Funding Team

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

Citicorp Trustee Company Limited  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Fax no.: +44 20 3060 4796  
Email: emea.at.debt@citi.com  
Attention: Agency & Trust

Communications will take effect, in the case of a letter, when delivered, in the case of a fax, when the relevant delivery receipt is received by the sender or, in the case of an electronic communication, when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) after 4:00 p.m. on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Trust Deed which is to be sent by fax or electronic communication will be written legal evidence.

## **18 Further Issues**

- 18.1 General:** Subject to any Supervisory Permission required, the Issuer may from time to time create and issue without the consent of the Holders, further securities having the same terms and conditions of the Capital Securities in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the Capital Securities then outstanding.
- 18.2 Supplemental Trust Deed:** If the Issuer issues further securities which are to be consolidated and form a single series with the Capital Securities as provided in the Conditions, the Issuer shall, before their issue, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.
- 18.3 Meetings of Holders:** If the Trustee so directs, Schedule 3 shall apply equally to Holders and to holders of any securities issued pursuant to Clause 18.1 and the Conditions as if references in it to “Capital Securities” and “Holders” were also to such securities and their holders respectively.

## **19 Governing Law and Jurisdiction**

- 19.1 Governing Law:** This Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 19.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed or the Capital Securities and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Capital Securities (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause 19.2 is for the benefit of each of the Trustee and the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**Schedule 1**  
**Part A**  
**Form of Global Certificate**

**TSB BANKING GROUP PLC**  
**(Incorporated with limited liability under the laws of England and Wales)**  
**£250,000,000**  
**8.750 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent**  
**Convertible Securities**

**GLOBAL CERTIFICATE**

**Global Certificate No. [●]**

**ISIN: XS2951351589**

This Global Certificate is issued in respect of the principal amount specified above of the Capital Securities (the “**Capital Securities**”) of TSB Banking Group plc (the “**Issuer**”). This Global Certificate certifies that the person whose name is entered in the Register (the “**Registered Holder**”) is registered as the holder of such principal amount of the Capital Securities at the date hereof.

**Interpretation and Definitions**

References in this Global Certificate to the “Conditions” are to the Terms and Conditions applicable to the Capital Securities (which are in the form set out in Schedule 2 to the Trust Deed (the “**Trust Deed**”) dated 5 December 2024 between the Issuer and Citicorp Trustee Company Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this Global Certificate, which in the event of any conflict shall prevail). Other capitalised terms used in this Global Certificate shall have the meanings given to them in the Conditions or the Trust Deed.

**Promise to Pay**

The Issuer, for value received, promises to pay to the holder of the Capital Securities represented by this Global Certificate (subject to surrender of this Global Certificate if no further payment falls to be made in respect of such Capital Securities) on such date as the amount payable upon redemption under the Conditions may become payable in accordance with the Conditions, the amount payable upon redemption under the Conditions in respect of the Capital Securities represented by this Global Certificate and (subject to the Conditions) to pay interest in respect of such Capital Securities from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Capital Securities represented by this Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

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

### **Transfer of Capital Securities Represented by Global Certificates**

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

- (i) if the Capital Securities represented by this Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) above, the holder of the Capital Securities represented by this Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer. Where the holding of Capital Securities represented by this Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

### **Payments**

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

### **Meetings**

For the purposes of any meeting of Holders, the holder of the Capital Securities represented by this Global Certificate shall be treated as being entitled to one vote in respect of £1 in principal amount of the Capital Securities.

### **Notices**

So long as this Global Certificate is held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or an Alternative Clearing System, notices to be given to Holders may be given by delivery of the relevant Notice to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by publication as required by the Conditions and shall be deemed to have been given on the date of delivery to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, provided that, so long as the Capital Securities are listed and/or admitted to trading on the ISM or on any other stock exchange, notices required to be given to the Holders pursuant to the

Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any such stock exchange or other relevant authority on which the Capital Securities are listed/and or admitted to trading.

### **Conversion Notice**

Notwithstanding Condition 9(c), so long as this Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System (as defined in the Trust Deed), a Conversion Notice may be given by a Holder by delivering it to Euroclear or Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (which may include notice being given on the Holder's instruction by Euroclear, Clearstream, Luxembourg, such Alternative Clearing System or any common depository for them to the Settlement Shares Depository by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg and/or such Alternative Clearing System from time to time with the following details: (1) the name of the Holder; (2) the principal amount of Capital Securities held by it and the subject of the conversion; (3) the CREST account details or, if on Conversion the TSBBG Ordinary Shares are not a participating security in CREST, the address to which the TSBBG Ordinary Shares (if any) should be delivered; and (4) such other details as Euroclear or Clearstream, Luxembourg or such Alternative Clearing System may require. Such notices shall be deemed to have been delivered to the Settlement Shares Depository on the date of delivery of such notice to the Settlement Shares Depository by the Issuer.

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

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

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

Dated as of the Issue Date.

**TSB BANKING GROUP PLC**

By:

Name:

**Certificate of Authentication**

This Global Certificate is authenticated without recourse, warranty or liability by or on behalf of the Registrar.

**CITIBANK, N.A., LONDON BRANCH**

as Registrar

By:

Name:

Authorised Signatory

For the purposes of authentication only.

**Form of Transfer**

**For value received** the undersigned transfers to

---

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(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

£[●] in principal amount of the Capital Securities represented by this Global Certificate, and all rights under them.

Dated .....

Signed ..... Certifying Signature

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**Notes:**

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

**Schedule 1**  
**Part B**  
**Form of Certificate**

On the front:

**TSB BANKING GROUP PLC**  
**(Incorporated with limited liability under the laws of England and Wales)**  
**£250,000,000**  
**8.750 Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent Convertible**  
**Securities**

**CERTIFICATE**

**Certificate No. [●]**

This Certificate certifies that [●] of [●] (the “**Registered Holder**”) is, as at the date hereof, registered as the holder of £[●] in principal amount of the Capital Securities referred to above (the “**Capital Securities**”) of TSB Banking Group plc (the “**Issuer**”). The Capital Securities are subject to the Terms and Conditions (the “**Conditions**”) endorsed hereon and are issued subject to, and with the benefit of, the Trust Deed referred to in the Conditions. Expressions defined in the Conditions have the same meanings in this Certificate.

The Issuer, for value received, promises to, or to the order of, pay to the holder of the Capital Securities represented by this Certificate (subject to surrender of this Certificate if no further payment falls to be made in respect of such Capital Securities) on such date as the amount payable upon redemption under the Conditions may become payable in accordance with the Conditions, the amount payable upon redemption under the Conditions in respect of the Capital Securities represented by this Certificate and to pay interest (subject to the Conditions) in respect of such Capital Securities from the Issue Date in arrear at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

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

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



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

Dated as of the Issue Date.

**TSB BANKING GROUP PLC**

By:

Name:

**Certificate of Authentication**

This Certificate is authenticated without recourse, warranty or liability  
by or on behalf of the Registrar.

**CITIBANK, N.A., LONDON BRANCH**

as Registrar

By:

Name:

Authorised Signatory

For the purposes of authentication only.

On the back:

**Terms and Conditions of the Capital Securities**

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

**Form of Transfer**

**For value received** the undersigned transfers to

---

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(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

£[●] in principal amount of the Capital Securities represented by this Certificate, and all rights under them.

Dated .....

Signed ..... Certifying Signature

---

**Notes:**

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

[TO BE COMPLETED BY TRANSFEREE:

[INSERT ANY REQUIRED TRANSFEREE REPRESENTATIONS, CERTIFICATIONS ETC.]]

PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

**Citibank, N.A., London Branch**  
Citigroup Centre, 25 Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

## Schedule 2

### Terms and Conditions of the Capital Securities

The issue of the £250,000,000 8.750 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent Convertible Securities (the “**Capital Securities**” which expression shall in these terms and conditions (the “**Conditions**”), unless the context otherwise requires, include any Further Securities issued pursuant to Condition 16) of TSB Banking Group plc (the “**Issuer**”) was authorised by a resolution of the Board of Directors of the Issuer passed on 23 October 2024.

The Capital Securities are constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 5 December 2024 between the Issuer and Citicorp Trustee Company Limited (the person or persons for the time being the trustee or trustees under the Trust Deed, the “**Trustee**”) as trustee for the Holders (as defined below) of the Capital Securities. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Capital Securities.

Copies of the Trust Deed and of the agency agreement (the “**Agency Agreement**”) dated 5 December 2024 relating to the Capital Securities between the Issuer, Citibank N.A., London Branch as the initial principal paying agent (the person for the time being the principal paying agent under the Agency Agreement, the “**Principal Paying Agent**”), Citibank N.A., London Branch as the initial agent bank (the person for the time being the agent bank under the Agency Agreement, the “**Agent Bank**”), Citibank N.A., London Branch as the initial registrar (the person for the time being the registrar under the Agency Agreement, the “**Registrar**”), the initial transfer agents named therein (the person(s) for the time being the transfer agent(s) under the Agency Agreement, the “**Transfer Agent(s)**”), Citibank N.A., London Branch as the initial conversion agent (the person for the time being the conversion agent under the Agency Agreement, the “**Conversion Agent**”) and the Trustee, (i) are available for inspection during usual business hours at the principal office of the Trustee (being at the Issue Date at Citigroup Centre, Canary Wharf, London E14 5LB, United Kingdom) and at the specified offices of the Principal Paying Agent, the Registrar and each of the Transfer Agents or (ii) may be provided by email to a Holder (following written request therefor by it) from the Trustee or the Principal Paying Agent, subject in each case to the Holder providing evidence of its identity and its holding of Capital Securities satisfactory to, as applicable, the Trustee or the Principal Paying Agent.

The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

#### **1 Form, Denomination and Title**

##### **(a) Form and Denomination**

The Capital Securities are serially numbered in denominations of £200,000 and integral multiples of £200,000 in excess thereof.

The Capital Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Capital Securities by the same Holder.

##### **(b) Title**

Title to the Capital Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Capital

Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, “**Holder**” means the person in whose name a Capital Security is registered.

## **2 Transfers of Capital Securities**

### **(a) Transfer**

A holding of Capital Securities may, subject to Condition 2(d), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Capital Securities to be transferred, together with the form of transfer endorsed on such Certificate(s), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Capital Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Capital Securities to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Capital Securities and entries in the Register will be made in accordance with the detailed regulations concerning transfers of Capital Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Holder upon request in writing upon provision of proof of holding of Capital Securities and identity (in a form satisfactory to the Registrar).

### **(b) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within three business days of receipt of a duly completed and executed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate(s) shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

### **(c) Transfer Free of Charge**

Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

### **(d) Closed Periods**

No Holder may require the transfer of a Capital Security to be registered (i) during the period of 15 days ending on (and including) the date on which Capital Securities are scheduled to be redeemed or

substituted by the Issuer pursuant to Condition 7 or (ii) during the period of seven days ending on (and including) any Record Date.

### 3 Status and Subordination

#### (a) Status

The Capital Securities constitute direct and unsecured and unguaranteed obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of Holders in respect of, or arising under, their Capital Securities (including any damages awarded for breach of obligations in respect thereof) are subordinated as described in this Condition 3.

#### (b) Solvency Condition

Except in a Winding-Up, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Capital Securities (other than payments to the Trustee for its own account under the Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6(a)(i), conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount (other than any amount due and payable to the Trustee for its own account under the Trust Deed) shall be due and payable in respect of, or arising from, the Capital Securities or the Trust Deed except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the “**Solvency Condition**”).

For these purposes, the Issuer shall be considered to be solvent if (i) it is able to pay its debts owed to its Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities.

A certificate as to the solvency of the Issuer by an Authorised Signatory (or if there is a winding-up or administration of the Issuer, an authorised signatory of the liquidator or, as the case may be, the administrator of the Issuer) shall be treated and accepted by the Issuer, the Trustee, the Holders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without further enquiry and without liability to any person.

Any payment of interest not due by reason of this Condition 3(b) shall not be or become payable at any time and shall be cancelled as provided in Condition 5(e).

#### (c) Winding-Up

##### (i) Winding-Up prior to a Trigger Event

The rights and claims of the Holders (and of the Trustee on their behalf) against the Issuer at all times subject to any mandatory provisions of the laws of England and, subject thereto, are subordinated to the claims of Senior Creditors in that if a Winding-Up occurs prior to the occurrence of a Trigger Event, there shall be payable by the Issuer in respect of each Capital Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such Capital Security if, throughout such Winding-Up, such Holder were the holder of one of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”) having an equal right to a return of assets in the Winding-Up to, and so ranking *pari passu* with, the holders of the most senior class or classes of issued preference shares (if any) in the capital of the Issuer from time to time and which have a preferential right to a return of assets in 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 Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such Winding-Up

were an amount equal to the principal amount of the relevant Capital Security together with any accrued but unpaid interest thereon (to the extent such interest has not been cancelled in accordance with these Conditions) and any damages awarded for breach by the Issuer of any obligations in respect of such Capital Security, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that such preference shareholders were entitled to claim and recover in respect of their preference shares to the same degree as in a Winding-Up).

(ii) *Winding-Up on or after the occurrence of a Trigger Event*

If a Winding-Up occurs 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 Capital Security (in lieu of any other payment or any issue or delivery of TSBBG Ordinary Shares by the Issuer), such amount, if any, as would have been payable to the Holder of such Capital Security if, on the day prior to the commencement of the Winding-Up and thereafter, such Holder were the holder of such number of TSBBG Ordinary Shares as that Holder would have been entitled to receive upon Conversion in accordance with Condition 6 (and, in the case of an administration, on the assumption that holders of TSBBG Ordinary Shares were entitled to claim and recover in respect of their TSBBG Ordinary Shares to the same degree as in a Winding-Up).

(d) *Set-off*

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, compensation, counterclaim or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities or the Trust Deed and each Holder shall, by virtue of its holding of any Capital Security (or any beneficial interest therein), be deemed, to the fullest extent permitted under applicable law, to have waived all such rights of set-off, netting, compensation, counterclaim or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Capital Securities is discharged by set-off, netting, compensation, counterclaim or retention, such Holder 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 or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

*Condition 3(d) shall not be construed as indicating or acknowledging that any rights of set-off (including compensation, counterclaim, netting or retention), counterclaim or netting would, but for Condition 3(d), otherwise be available to any Holder with respect to any Capital Security.*

#### **4 Interest Payments**

(a) *Interest Rate*

Subject to Conditions 3(b), 5 and 6, the Capital Securities bear interest on their principal amount at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 4.

Subject to Conditions 3(b), 5 and 6, interest shall be payable on the Capital Securities semi-annually (for each Interest Period commencing in the Initial Fixed Rate Interest Period) and quarterly (for each Interest Period commencing on or after the First Reset Date), in each case in arrear on each Interest Payment Date in equal instalments, in each case as provided in this Condition 4.

Where it is necessary to compute an amount of interest in respect of any Capital Security for a period which is less than a complete Interest Period, the relevant day-count fraction shall be determined on the basis of a day-count fraction equal to the actual number of days elapsed in the relevant period divided by 365.

**(b) Interest Accrual**

Subject to Conditions 3(b), 5 and 6, the Capital Securities will cease to bear interest from (and including) the due date for redemption thereof pursuant to Condition 7(c), (d), (e) or (f) or the date of substitution thereof pursuant to Condition 7(g), as the case may be, unless, upon surrender of the Certificate representing any Capital Security, payment of all amounts due in respect of such Capital Security is not properly and duly made, in which event interest shall continue to accrue on the principal amount of such Capital Security, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date. Interest in respect of any Capital Security shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall, save as provided in Condition 4(a) in relation to equal instalments and subject to Conditions 3(b), 5 and 6, be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 4(a) for the relevant period, rounding the resultant figure to the nearest penny (half a penny being rounded upwards). The amount of interest payable in respect of each Capital Security is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Capital Security.

**(c) Initial Fixed Interest Rate**

For the Initial Fixed Rate Interest Period, the Capital Securities bear interest, subject to Conditions 3(b), 5 and 6, at the rate of 8.750 per cent. per annum (the “**Initial Fixed Interest Rate**”). Subject to Conditions 3(b), 5 and 6, each interest payment will (if paid in full) amount to:

- (i) £8,750 per Calculation Amount for each Interest Period commencing in the Initial Fixed Rate Interest Period (other than the first Interest Period); and
- (ii) £5,321.92 per Calculation Amount for the first Interest Period.

**(d) Reset Rate of Interest**

The Interest Rate will be reset (the “**Reset Rate of Interest**”) in accordance with this Condition 4(d) on each Reset Date. The Reset Rate of Interest in respect of each Reset Period will (unless a Benchmark Event has occurred, in which case the relevant Reset Rate of Interest shall be determined pursuant to and in accordance with Condition 4(i)) be determined by the Agent Bank on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the Margin (with such sum converted by the Agent Bank to a quarterly basis using the following formula (with the result rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)):

$$\text{Quarterly Rate} = 4 \left[ (1 + A)^{\frac{1}{4}} - 1 \right]$$

Where A = the sum of the Margin and the relevant Reset Reference Rate.

**(e) Determination of Reset Rate of Interest**

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) on each Reset Determination Date, determine the Reset Rate of Interest in respect of the relevant Reset Period. The determination of



the Reset Rate of Interest by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

**(f) *Publication of Reset Rate of Interest***

The Issuer shall cause notice of the Reset Rate of Interest determined in accordance with this Condition 4 in respect of each Reset Period to be given to the Trustee, the Principal Paying Agent, the Registrar, each of the Transfer Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

If the Capital Securities become due and payable pursuant to Condition 9(a), the accrued interest per Calculation Amount and the Reset Rate of Interest payable in respect of the Capital Securities shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 4 but no publication of the Reset Rate of Interest need be made unless the Trustee otherwise requires.

**(g) *Agent Bank***

The Issuer will maintain an Agent Bank. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Agent Bank with another leading investment or commercial bank or financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Reset Rate of Interest in respect of any Reset Period as provided in Condition 4(d), the Issuer shall forthwith appoint another leading investment or commercial bank or financial institution (of international repute) in London approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

**(h) *Determinations of Agent Bank Binding***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4, by or on behalf of the Agent Bank, shall (in the absence of manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agents and all Holders and (in the absence of wilful default or gross negligence) no liability to the Holders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**(i) *Benchmark Discontinuation***

Notwithstanding the other provisions of Condition 4 above, if the Issuer determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Reset Rate of Interest (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions of this Condition 4(i) shall apply.

**(a) *Independent Adviser***

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise (in good faith and in a commercially reasonable manner) the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(i)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(i)(c)) and any Benchmark Amendments (in accordance with Condition 4(i)(d)). If the Issuer is unable to appoint an Independent Adviser, the Issuer may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(i)(b)) and, in either case, an

Adjustment Spread if any (in accordance with Condition 4(i)(c)) and any Benchmark Amendments (in accordance with Condition 4(i)(d)).

In making any such determination, the Issuer shall act in good faith and in a commercially reasonable manner. In the absence of fraud, the Issuer and the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agents or the Holders for any determination made by it and for any advice given to the Issuer in connection with any determination made by such Issuer, pursuant to this Condition 4(i).

If the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate and, in either case, an Adjustment Spread in accordance with this Condition 4(i) prior to the relevant Reset Determination Date, the Reset Rate of Interest applicable to the next succeeding Reset Period shall be equal to the Reset Rate of Interest last determined in relation to the Capital Securities in respect of the immediately preceding Interest Period. If the First Reset Date has not yet occurred, the Reset Rate of Interest shall be the Initial Fixed Interest Rate. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(i).

(b) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser (if any), determines that:

- (i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) in respect of periods beginning from the end of the then current Reset Period onwards or, if the Issuer determines that a Benchmark Event has occurred prior to the first Reset Determination Date, from the First Reset Date onwards, subject to the further operation of this Condition 4(i); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) in respect of periods beginning from the end of the then current Reset Period onwards or, if the Issuer determines that a Benchmark Event has occurred prior to the first Reset Determination Date, from the First Reset Date onwards, subject to the further operation of this Condition 4(i).

(c) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be), including for each subsequent determination of a relevant Reset Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent operation of this Condition 4(i).

If the Issuer, following consultation with the Independent Adviser (if any), is unable to determine the Adjustment Spread (or the formula or methodology for determining such Adjustment Spread) then the fallback provisions described in the final sub-paragraph of Condition 4(i)(a) shall apply. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Reset Period, and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first sub-paragraph of Condition 4(i)(a).

(d) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(i) and the Issuer, following consultation with the Independent Adviser (if any), determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 15, without any requirement for the consent or approval of the Holders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Agent Bank and the Principal Paying Agent of a certificate signed by two Authorised Signatories of the Issuer, the Trustee, the Agent Bank and the Principal Paying Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer and use reasonable endeavours to effect any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee, the Agent Bank and the Principal Paying Agent shall not be liable to any party for any consequences thereof, provided that the Trustee, the Agent Bank and the Principal Paying Agent shall not be obliged so to concur or use such endeavours if in the opinion of the Trustee, the Agent Bank and the Principal Paying Agent (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way. For the avoidance of doubt, no Holder consent shall be required in connection with effecting any Benchmark Amendments or such other changes, including for the execution of any documents, amendments or other steps by the Issuer, the Trustee, the Agent Bank or the Principal Paying Agent (if required).

In connection with any such variation in accordance with this Condition 4(i), the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(i), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of some of or the entire principal amount of the Capital Securities as Additional Tier 1 Capital of the Issuer Group.

Notwithstanding any other provisions of this Condition 4(i), if in the Agent Bank’s opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(i), the Agent Bank shall promptly notify the Issuer thereof and the Issuer shall direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction, or is otherwise unable to make such calculation or determinations for any reason, it shall notify the Issuer thereof and the Agent Bank shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(e) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(i) will be notified promptly by the Issuer to the Trustee, the Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate signed by two Authorised Signatories of the Issuer:

- (i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate and, (C) the applicable Adjustment Spread and/or (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(i); and
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee and the Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. For the avoidance of doubt, each of the Trustee and the Agents shall not be liable to the Holders or any other such person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and Agents' respective abilities to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Holders.

(f) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 4(i)(a), Condition 4(i)(b), Condition 4(i)(c) and Condition 4(i)(d), the Original Reference Rate and the fallback provisions provided for in the definition of "Reset Reference Rate" in Condition 20, as the case may be, will continue to apply unless and until a Benchmark Event has occurred and the Trustee has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(i)(e).

(g) *Definitions*

As used in this Condition 4(i):

**"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:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Issuer, following consultation with the Independent Adviser (if any), determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions which reference the Original Reference Rate to produce an industry-accepted replacement rate for the Original

Reference Rate; or (if the Issuer, following consultation with the Independent Adviser (if any), determines that no such spread is customarily applied)

- (iii) the Issuer, following consultation with the Independent Adviser (if any), determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer, following consultation with the Independent Adviser (if any), determines that no such industry standard is recognised or acknowledged)
- (iv) the Issuer, following consultation with the Independent Adviser (if any), determines to be appropriate;

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser (if any), determines in accordance with Condition 4(i)(b) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in pounds sterling;

“**Benchmark Amendments**” has the meaning given to it in Condition 4(i)(d);

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) 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
- (iii) 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
- (iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of an underlying market; or
- (vi) it has become unlawful for any Paying Agent, the Agent Bank or the Issuer to calculate any payments due to be made to any Holder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) 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;

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate experience appointed by the Issuer at its own expense under Condition 4(i)(a) and notified in writing to the Trustee;

“**Original Reference Rate**” means the rate described in paragraph (i) of the definition of “Reset Reference Rate” in Condition 20 or (if applicable) any other successor or alternative rate (or component part thereof) determined to be applicable to the Capital Securities pursuant to the earlier operation of this Condition 4(i);

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

- (i) 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
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (aa) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (bb) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (cc) a group of the aforementioned central banks or other supervisory authorities or (dd) 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 Cancellation of Interest

### (a) *Optional cancellation of Interest*

The Issuer may in its sole and absolute discretion (but subject to the requirement for mandatory cancellation of interest pursuant to Conditions 3(b), 5(b), 5(c), 5(d) and 6(a)(i)) at any time elect to cancel any interest payment, in whole or in part, which is scheduled to be paid on any date.

### (b) *Mandatory Cancellation of Interest – Insufficient Distributable Items*

Interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, if and to the extent that the amount of such interest payment otherwise due (together with any Additional Amounts payable thereon pursuant to Condition 10, if applicable), together with any interest payments or other distributions which have been paid or made during the then current Financial Year, or which are payable on such date, on the Capital Securities and on or in respect of any Parity Securities or any Junior Securities (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date.

### (c) *Mandatory Cancellation of Interest – Maximum Distributable Amount*

Interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent that the amount of such interest payment otherwise due (together with any Additional Amounts payable thereon pursuant to Condition 10, if applicable), together with other distributions of the kind referred to in any applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated and which are required under prevailing Regulatory Capital

Requirements to be taken into account for this purpose, in aggregate would cause the Maximum Distributable Amount (if any) then applicable to the Issuer Group to be exceeded.

**(d) *Mandatory Cancellation of Interest – Relevant Authority Order***

Interest otherwise due on an Interest Payment Date will not be due (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent the Relevant Authority orders the Issuer to cancel such payment.

**(e) *Notice of Cancellation of Interest***

Upon the Issuer electing to cancel any interest payment (or part thereof) pursuant to Condition 5(a), or being prohibited from making any interest payment (or part thereof) pursuant to Conditions 3(b), 5(b), 5(c) or 5(d), the Issuer shall, as soon as reasonably practicable on or prior to the scheduled payment date, give notice of such non-payment and the reason therefor to the Trustee and the Principal Paying Agent, and the Holders in accordance with Condition 15. Any cancellation of interest or non-payment of interest in accordance with these Conditions, or any delay in giving or failure to give such notice, shall not affect the deemed 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 Capital Securities or 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 date.

**(f) *Interest non-cumulative; no default or restrictions***

Any interest payment (or, as the case may be, part thereof) not paid on any relevant scheduled payment date by reason of Condition 3(b), 5(a), 5(b), 5(c), 5(d) or 6 shall be cancelled, shall not accumulate, and will not become due or payable at any time thereafter, whether in a Winding-Up or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

If the Issuer does not pay any interest payment (in whole or, as the case may be, in part) on the relevant scheduled payment date, such non-payment (whether the notice referred to in Condition 5(e) or, as appropriate, Condition 6(a) has been given or not) shall evidence either the non-payment and cancellation of such interest payment (in whole or, as the case may be, in part) by reason of it not being due in accordance with Condition 3(b), the cancellation of such interest payment (in whole or, as the case may be, in part) in accordance with Conditions 5(b), 5(c), 5(d) or 6(a)(i) or, as appropriate, the Issuer's exercise of its discretion to cancel such interest payment (in whole or, as the case may be, in part) in accordance with Condition 5(a). Accordingly, non-payment of any interest (in whole or, as the case may be, in part) in accordance with any of Condition 3(b), 5(a), 5(b), 5(c), 5(d) or 6(a)(i) will not constitute a default by the Issuer for any purpose (whether under the Capital Securities or otherwise) and the Holders shall have no right thereto, whether in a Winding-Up or otherwise.

**6 Conversion**

**(a) *Conversion on a Trigger Event***

If, at any time, it is determined (as provided below) that a Trigger Event has occurred the Issuer shall (unless the determination was made by the Relevant Authority), immediately, inform the Relevant Authority of the occurrence of the Trigger Event and, without delay and by no later than one month (or such shorter period as the Relevant Authority may then require) from the occurrence of the relevant Trigger Event, the Issuer shall:

- (i) automatically and irrevocably 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); and
- (ii) as more fully described in Condition 6(b), on the Conversion Date issue to the Settlement Shares Depository, to be held on trust for the Holders, such number of TSBBG Ordinary Shares as is equal to the aggregate principal amount of the Capital Securities divided by the Conversion Price prevailing on the Conversion Date rounded down to the nearest whole number of TSBBG Ordinary Shares in consideration for the release of the Issuer's liabilities in respect of repayment of the principal amount of the Capital Securities and its other liabilities under the Capital Securities (including the payment of interest or any other amount on or in respect of the Capital Securities), and each Capital Security shall, subject to and as provided in this Condition 6, thereby be irrevocably cancelled.

As used herein:

**“Conversion”** means the irrevocable and automatic release of all of the Issuer's obligations under the Capital Securities in consideration for the issue of TSBBG Ordinary Shares at the then prevailing Conversion Price to the Settlement Shares Depository (on behalf of the Holders) or to the relevant recipient, in accordance with these Conditions. Such release shall all be effected pursuant to this Condition 6 and “convert” and “converted” shall be construed accordingly;

**“Conversion Price”** means:

- (i) prior to an IPO Event, the prevailing Pre-IPO Conversion Price; and
- (ii) on and from an IPO Event, the prevailing Post-IPO Conversion Price;

**“Initial Post-IPO Conversion Price”** means, as at the time of the IPO Event (i) the Pre-IPO Conversion Price prevailing at such time or, if higher (ii) 66.7 per cent. of the final price per share at which the relevant TSBBG Ordinary Shares are offered in connection with the IPO Event;

**“Initial Pre-IPO Conversion Price”** means £2.132;

**“Post-IPO Conversion Price”** means, at any time, the Initial Post-IPO Conversion Price as most recently adjusted (if at all) pursuant to Condition 6(d); and

**“Pre-IPO Conversion Price”** means, at any time, the Initial Pre-IPO Conversion Price as most recently adjusted (if at all) pursuant to Condition 6(d).

For the purposes of determining whether a Trigger Event has occurred, the CET1 Ratio may be calculated at any time based on information (whether or not published) available to management of the Issuer and/or the Relevant Authority, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 Ratio.

The determination as to whether a Trigger Event has occurred shall be made by the Issuer or the Relevant Authority or any agent appointed for such purpose by the Relevant Authority. Any such determination shall be binding on the Issuer and the Holders.

The Issuer shall, as soon as reasonably practicable following the determination that a Trigger Event has occurred, and in any event not more than 5 Business Days following such determination (provided that later notice shall not constitute a default under the Capital Securities for any purpose or affect the Conversion of the Capital Securities on the Conversion Date), give notice (which notice shall be irrevocable) to the Holders in accordance with Condition 15, the Trustee and the Agents (the **“Trigger Event Notice”**) stating: (i) that the Trigger Event has occurred; (ii) the Conversion Date and details of



the Settlement Shares Depository; (iii) the prevailing Conversion Price (which Conversion Price shall remain subject to any subsequent adjustment pursuant to Condition 6(d) up to the Conversion Date); (iv) the procedures Holders will need to follow to receive TSBBG Ordinary Shares from the Settlement Shares Depository pursuant to Condition 6(c); and (v) the Long-Stop Date.

On or (if reasonably practicable) prior to giving the Trigger Event Notice, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory certifying the accuracy of the contents of the Trigger Event Notice upon which the Trustee shall rely (without liability to any person).

Any delay in giving or any failure by the Issuer to give a Trigger Event Notice and/or the certification referred to in the immediately foregoing paragraph will not, however affect the effectiveness of, or otherwise invalidate, any such Conversion, or give Holders or any other person any rights as a result of such failure.

Fractions of TSBBG 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. However, if one or more Conversion Notices and relevant Certificates are delivered to the Settlement Shares Depository such that any TSBBG Ordinary Shares to be issued and delivered to a Holder on Conversion are to be registered in the same name, the number of TSBBG Ordinary Shares to be issued and delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Capital Securities to be converted.

The Issuer undertakes to maintain all corporate authorities necessary to issue and allot a sufficient number of TSBBG Ordinary Shares, free from pre-emption rights and all other encumbrances, pursuant to this Condition 6(a).

The Capital Securities are not convertible into TSBBG Ordinary Shares at the option of the Holders or the Trustee at any time.

**(b) Consequences of a Conversion**

- (i) If the Trigger Event occurs, the Capital Securities will be converted in whole and not in part on the Conversion Date as provided in this Condition 6, at which point all of the Issuer's obligations under the Capital Securities shall be irrevocably and automatically released in consideration for the Issuer's issuance and delivery of the relevant TSBBG Ordinary Shares to the Settlement Shares Depository on the Conversion Date at the then prevailing Conversion Price.
- (ii) The Issuer shall use all reasonable endeavours promptly to appoint such Settlement Shares Depository. If, however, the Issuer has been unable to appoint a Settlement Shares Depository, it shall make such other arrangements for the issuance and delivery of the TSBBG Ordinary Shares to be issued and delivered upon Conversion to the Holders as it shall consider reasonable in the circumstances, which may include issuing and delivering the TSBBG Ordinary Shares to another independent nominee to be held on trust for the Holders or to the Holders directly, which issuance and delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Capital Securities as if the relevant TSBBG Ordinary Shares had been issued and delivered to the Settlement Shares Depository and, in which case, where the context so admits, references in these Conditions to the issue and delivery of TSBBG Ordinary Shares to the Settlement Shares Depository shall be construed accordingly and apply mutatis mutandis.
- (iii) Provided that the Issuer issues and delivers the relevant TSBBG Ordinary Shares to the Settlement Shares Depository in accordance with these Conditions, with effect from the Conversion Date, Holders shall not have any rights against the Issuer with respect to: (x)

repayment of the principal amount of the Capital Securities or any part thereof; (y) the payment of interest for any period; or (z) any other amounts arising under or in connection with the Capital Securities and the Issuer shall be released in full from its liabilities under the Capital Securities which will be cancelled as provided herein.

- (iv) The TSBBG Ordinary Shares to be issued and delivered as a result of Conversion shall (except where the Issuer has not appointed a Settlement Shares Depositary as contemplated in Condition 6(b)(i)) initially be registered in the name of the Settlement Shares Depositary, which shall hold such TSBBG Ordinary Shares on trust for the Holders. By virtue of its holding of any Capital Security, each Holder shall be deemed to have irrevocably directed the Issuer to issue and deliver such TSBBG Ordinary Shares to the Settlement Shares Depositary.
- (v) Provided that the Issuer so issues and delivers the TSBBG Ordinary Shares to be issued and delivered as a result of Conversion to the Settlement Shares Depositary as aforesaid, with effect on and from the Conversion Date, Holders of the Capital Securities shall have recourse only to Settlement Shares Depositary for the delivery to them of TSBBG Ordinary Shares to which they are entitled. Subject to Condition 6(b)(i), if the Issuer fails to issue and deliver the TSBBG Ordinary Shares to be issued and delivered as a result of Conversion to the Settlement Shares Depositary on the Conversion Date, a Holder's only right under the Capital Securities against the Issuer for any such failure will be to claim to have such TSBBG Ordinary Shares so issued and delivered.
- (vi) Following the issuance and delivery of the TSBBG Ordinary Shares to be delivered on Conversion to the Settlement Shares Depositary on the Conversion Date as aforesaid, the Capital Securities shall remain in existence until the applicable Settlement Date (or, if earlier, the Long-Stop Date) for the purpose only of evidencing the Holders' right as aforesaid to receive such TSBBG Ordinary Shares to be delivered by the Settlement Shares Depositary.
- (vii) Subject to and as provided in Condition 6(b)(iv), the Settlement Shares Depositary shall hold the TSBBG Ordinary Shares to be issued and delivered on Conversion on trust for the Holders. Such Holders shall, for so long as such TSBBG Ordinary Shares are held by the Settlement Shares Depositary, be entitled to receive any ordinary dividends paid on such TSBBG Ordinary Shares and shall be entitled to direct the Settlement Shares Depositary to exercise on their behalf any rights of an ordinary shareholder (including voting rights) except that such Holders shall not be able to sell or otherwise transfer such TSBBG Ordinary Shares unless and until such time as the relevant TSBBG Ordinary Shares have been delivered to Holders in accordance with Condition 6(h).

**(c) Conversion Settlement**

- (i) Upon Conversion, the principal amount of the Capital Securities will be written down in full. Holders shall be deemed to have waived all rights and claims in respect of the principal amount by which the Capital Securities are written down and shall be deemed irrevocably to have directed and authorised the Issuer to apply such amount on their behalf in paying up the relevant fully-paid TSBBG Ordinary Shares to be issued and/or delivered to the Settlement Shares Depositary on Conversion of their Capital Securities. The Issuer shall issue and deliver to the Settlement Shares Depositary to be held on trust for a Holder such number of TSBBG Ordinary Shares as is equal to the aggregate principal amount of the Capital Securities held by such Holder divided by the Conversion Price prevailing on the Conversion Date rounded down to the nearest whole number of TSBBG Ordinary Shares.

- (ii) In order to obtain delivery from the Settlement Shares Depository of TSBBG Ordinary Shares following a Conversion, Holders will, subject to Condition 6(c)(iii), be required to deliver to the Settlement Shares Depository (or the Conversion Agent or any other agent designated for the purpose in the Trigger Event Notice) a Conversion Notice and the relevant Certificate representing the relevant Capital Security.

Subject as otherwise provided herein, the relevant TSBBG Ordinary Shares will be delivered by or on behalf of the Settlement Shares Depository in accordance with the instructions given in the relevant Conversion Notice.

- (iii) If not previously cancelled on the relevant Settlement Date, the relevant Capital Securities shall be cancelled on the Long-Stop Date and any Holder seeking to obtain TSBBG Ordinary Shares thereafter shall be required to provide such evidence as to entitlement to such TSBBG Ordinary Shares as the Settlement Shares Depository may reasonably require in its sole discretion. The Issuer shall have no liability to any Holder for any loss resulting from such Holder not receiving any TSBBG Ordinary Shares, or from any delay in the receipt thereof, as a result of such Holder failing to submit a valid Conversion Notice and the relevant Certificate(s), on a timely basis or at all.
- (iv) Any determination as to whether any Conversion Notice has been properly completed and delivered together with the relevant Certificate(s) as provided in these Conditions shall be made by the Settlement Shares Depository or the Conversion Agent, as the case may be, in its sole discretion and shall be conclusive and binding on the relevant Holder(s).
- (v) The Trustee and the Agents shall not be responsible for monitoring or enforcing the obligations of the Settlement Shares Depository (or such other recipient of the TSBBG Ordinary Shares, as set out above).

**(d) Adjustments to the Conversion Price**

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows:

- (i) If and whenever there shall be a consolidation, subdivision, reclassification or redesignation in relation to the TSBBG Ordinary Shares which alters the number of TSBBG Ordinary Shares in issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, subdivision, reclassification or redesignation by the following fraction:

$$\frac{A}{B}$$

where:

**A** is the aggregate number of TSBBG Ordinary Shares in issue immediately prior to such consolidation, subdivision, reclassification or redesignation, as the case may be; and

**B** is the aggregate number of TSBBG Ordinary Shares in issue immediately after, and as a result of, such consolidation, subdivision, reclassification or redesignation, as the case may be.

Such adjustment shall become effective on the date such consolidation, subdivision, reclassification or redesignation takes effect.

- (ii) If and whenever the Issuer shall issue any TSBBG Ordinary Shares credited as fully paid up to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than where:
- (A) any such TSBBG Ordinary Shares are or are to be issued instead of the whole or part of a Cash Distribution which the Shareholders would or could otherwise have received; or
  - (B) the Shareholders may elect to receive a Cash Distribution in lieu of such TSBBG Ordinary Shares; or
  - (C) any such TSBBG Ordinary Shares are or are expressed to be issued in lieu of a dividend (whether or not a Cash Distribution equivalent or amount is announced or would otherwise be payable to the Shareholders, whether at their election or otherwise),

the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

**A** is the aggregate number of TSBBG Ordinary Shares in issue immediately prior to such issue; and

**B** is the aggregate number of TSBBG Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date on which any such newly issued TSBBG Ordinary Shares are issued.

- (iii) If and whenever the Issuer shall issue TSBBG Ordinary Shares to Shareholders as a class by way of rights, or the Issuer or (at the direction or request of, or pursuant to any arrangements with, the Issuer) any other company, person or entity shall issue or grant the Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire TSBBG Ordinary Shares, or any securities (including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to acquire, any TSBBG Ordinary Shares (or shall grant any such rights in respect of existing securities (including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer) so issued), in each case at a price per TSBBG Ordinary Share which is less than 95 per cent. of the Current Price per TSBBG Ordinary Share of that class on:
- (A) if the TSBBG Ordinary Shares are then listed, the first date on which the TSBBG Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the primary stock exchange on which the TSBBG Ordinary Shares are listed; or
  - (B) otherwise, the day following the expiry of the relevant options, warrants or rights, (the relevant such date, the “**Ex-Date**”),

then, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Ex-Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

**A** is the total number of TSBBG Ordinary Shares in issue on the Ex-Date (excluding any TSBBG Ordinary Shares which may be issued on such date as a result of the exercise of such rights, options or warrants);

**B** is the number of TSBBG Ordinary Shares which the aggregate consideration (if any) receivable for the TSBBG Ordinary Shares issued by way of rights, or for the securities (including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer) issued by way of rights, or for the options or warrants or other rights issued or granted by way of rights and for the total number of TSBBG Ordinary Shares deliverable on the exercise thereof in each case as determined by the Issuer in good faith, would purchase at such Current Price per TSBBG Ordinary Share on the Ex-Date; and

**C** is the number of TSBBG Ordinary Shares to be issued or, as the case may be, the maximum number of TSBBG Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate,

provided that if the TSBBG Ordinary Shares are then listed and if at the Ex-Date such number of TSBBG Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6(d)(iii), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Ex-Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Ex-Date.

Such adjustment shall become effective on the Ex-Date. For the purpose of any calculation of the consideration receivable or price pursuant to this Condition 6(d)(iii), the following provisions shall apply:

- (A) the aggregate consideration receivable or price for TSBBG Ordinary Shares issued for cash shall be the amount of such cash;
- (B) if the consideration or price determined pursuant to (A) above (or any component thereof) shall be expressed in a currency other than sterling it shall be converted into sterling at the Prevailing Rate on the relevant Ex- Date;
- (C) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant TSBBG Ordinary Shares or for the rights, options, warrants or other rights to subscribe for or purchase TSBBG Ordinary Shares or otherwise in connection therewith;
- (D) the consideration or price shall be determined as provided in (A)-(C) above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity; and

- (E) reference in these Conditions to “cash” shall be construed as cash consideration within the meaning of section 583(3) of the United Kingdom Companies Act 2006.
- (iv) Notwithstanding paragraphs (i) to (iii) above, and (v) below, no adjustment to the Conversion Price will be made:
  - (A) as a result of the creation of any new class of share in the Issuer, save as provided in (iii) above;
  - (B) as a result of the payment of any Cash Distribution;
  - (C) to the extent TSBBG Ordinary Shares or other securities (including rights, warrants or options in relation to TSBBG Ordinary Shares and other securities) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, directors or employees or former directors or employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person in any such case pursuant to any employee share or option scheme or pursuant to any dividend reinvestment plan or similar plan or scheme;
  - (D) if an increase in the Conversion Price would result from such adjustment, except in the case of a consolidation of TSBBG Ordinary Shares; or
  - (E) to such extent as would result in the Conversion Price being reduced below the nominal value of a TSBBG Ordinary Share (and, for the avoidance of doubt, in circumstances where this paragraph (E) prevents an adjustment being made in full, the Conversion Price will be adjusted so as to equal the nominal value of a TSBBG Ordinary Share),

and provided further that: (A) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(d) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall, subject to compliance with the then prevailing Regulatory Capital Requirements, be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result; and (B) such modification shall, subject to compliance with the prevailing Regulatory Capital Requirements, be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would (but for the operation of paragraph (E) above) result in an adjustment to the Conversion Price to below the nominal value of an TSBBG Ordinary Share. The issue of TSBBG Ordinary Shares following a Conversion, or upon any conversion or exchange in respect of any other securities or the exercise of any other options, warrants or other rights shall not result in an adjustment to the Conversion Price.

- (v) *Decision of an Independent Adviser*

If any doubt shall arise as to whether an adjustment is required to be made to the Conversion Price under (i) to (iii) above or as to the appropriate adjustment to the Conversion Price (including, without limitation, as to the determination of any effective date), and following consultation between the Issuer and an Independent Adviser, a written determination of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Trustee and the Holders, save in the case of manifest error.

(vi) *Rounding down and notice of Adjustment to Conversion Price*

On any adjustment to the Conversion Price pursuant to this Condition 6(d), the resultant Conversion Price, if not an integral multiple of £0.001, shall be rounded down to the nearest integral multiple of £0.001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Conversion Price then in effect. Any adjustment not required to be made and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to the Trustee and to the Holders in accordance with Condition 15 promptly after the determination thereof.

(vii) None of the Agents nor the Trustee shall be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price and will not be responsible or liable to any person for any loss arising from any failure by it to do so, nor shall the Agents or the Trustee be responsible or liable to any person for any determination of whether or not an adjustment to the Conversion Price is required or should be made nor as to the determination or calculation of any such adjustment.

(viii) All determinations by an Independent Adviser pursuant to, or in respect of, these Conditions shall be deemed to be determinations made by an expert and not by a trustee or fiduciary for the Holders or any other person. No Independent Adviser shall be liable to the Issuer, the Trustee, the Holders or any other person in respect of any such determination made by it except in the case of the wilful default or fraud of the Independent Adviser.

(ix) In any circumstances where these Conditions require a determination to be made by an Independent Adviser, the Issuer shall use all reasonable efforts to appoint such Independent Adviser for such purpose. If, notwithstanding such reasonable efforts, the Issuer has been unable to appoint an Independent Adviser at that time, the relevant determination shall instead be made by the Issuer acting in good faith. The Trustee shall be entitled to rely on any such determinations made by the Issuer as if such determinations had been made by an Independent Adviser and the Trustee shall suffer no liability for doing so.

(e) ***Qualifying Relevant Event***

(i) If a Qualifying Relevant Event shall occur, the Capital Securities shall, where the Conversion Date (if any) falls on or after the New Conversion Condition Effective Date, be converted on such Conversion Date into Relevant Shares of the Approved Entity (save as provided below in this Condition 6(e) *mutatis mutandis* as provided in this Condition 6) at a Conversion Price that shall be the New Conversion Price.

Such conversion shall be effected by the delivery by the Issuer of such number of TSBBG Ordinary Shares as is determined in accordance with Condition 6(a) to, or to the order of, the Approved Entity. Such delivery shall irrevocably discharge and satisfy all of the Issuer's obligations under the Capital Securities (but shall be without prejudice to the rights of the Trustee and (in the circumstances described in Condition 9(d)) the Holders against the Approved Entity in connection with its undertaking to deliver Relevant Shares as provided in the definition of "New Conversion Condition" in Condition 6(e)(vi) below) and, for the avoidance of doubt, shall not discharge any liabilities owed to the Trustee or any provisions of the Trust Deed that are specified as surviving the termination of the Trust Deed. Such delivery shall be in consideration of the Approved Entity irrevocably undertaking, for the benefit of the Holders, to deliver the Relevant Shares to the Settlement Shares Depository as aforesaid.

- (ii) The New Conversion Price shall be subject to adjustment in the circumstances provided in Condition 6(d) (with such modifications and amendments as an Independent Adviser acting in good faith shall determine to be appropriate) and the Issuer shall give notice to the Holders (in accordance with Condition 15), the Trustee and the Agents of the New Conversion Price and of any such modifications and amendments.
- (iii) In the case of a Relevant Event where the Acquiror is an Approved Entity:
  - (A) the Issuer shall, without the need for consent of the Holders, enter into such agreements and arrangements, which may include deeds supplemental to the Trust Deed, and such amendments to the Trust Deed and these Conditions shall be made to ensure that, with effect from the New Conversion Condition Effective Date, the Capital Securities shall (following the occurrence of a Trigger Event) be convertible into, or exchangeable for, the Relevant Shares of the Approved Entity, *mutatis mutandis* in accordance with and subject to this Condition 6 (as may be so supplemented, amended or modified) at the New Conversion Price; and
  - (B) the Approved Entity shall, where the Conversion Date falls on or after the New Conversion Condition Effective Date, procure the issue and/or delivery of the relevant number of Relevant Shares in the manner provided in this Condition 6, as may be supplemented, amended or modified as provided above.

The Trustee shall be obliged (at the expense of the Issuer provided that the Trustee receives a certificate signed by an Authorised Signatory certifying that the effect of such amendments will be only to ensure that, with effect from the New Conversion Condition Effective Date, the Capital Securities shall (following the occurrence of a Trigger Event) be convertible into, or exchangeable for, the Relevant Shares of the Approved Entity, *mutatis mutandis* in accordance with and subject to this Condition 6 (as may be so supplemented, amended or modified) at the New Conversion Price) to concur with the Issuer in making any such amendments to the Trust Deed and these Conditions, and execute any such deeds supplemental to the Trust Deed, provided further that the Trustee shall not be bound to do so if any such amendments, modifications or deeds would, in the opinion of the Trustee, have the effect of (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction, (ii) changing, increasing or adding to the obligations or duties of the Trustee or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed, the Conditions and/or the Capital Securities.

- (iv) In the case of a Non-Qualifying Relevant Event, with effect from the occurrence of the Relevant Event and unless a Conversion Date shall have occurred prior to the date of such Relevant Event,



outstanding Capital Securities shall not be subject to Conversion at any time notwithstanding that a Trigger Event may occur subsequently but instead, upon the occurrence of a subsequent Trigger Event (if any) the full principal amount of each Capital Security will automatically be written down to zero, each Capital Security will be cancelled, all accrued but unpaid interest and any other amounts payable on each Capital Security will be cancelled (irrespective of whether such amounts have become due and payable prior to the occurrence of the Trigger Event) and the Holders will be automatically deemed to have irrevocably released their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Capital Securities or to any interest or other amount so cancelled.

- (v) Within 10 days following the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Trustee and to the Holders (a “**Relevant Event Notice**”) in accordance with Condition 15. The Relevant Event Notice shall specify:
- (A) the identity of the Acquiror;
  - (B) whether the Relevant Event is a Qualifying Relevant Event or a Non-Qualifying Relevant Event;
  - (C) in the case of a Qualifying Relevant Event, the New Conversion Price.

If the Relevant Event is a Non-Qualifying Relevant Event, the Relevant Event Notice addressed to the Trustee shall be accompanied by a certificate signed by an Authorised Signatory certifying that a Non-Qualifying Relevant Event has occurred, in which event such certificate shall be treated and accepted by the Trustee and the Holders as correct, conclusive and sufficient evidence thereof. The Trustee shall rely without further investigation and without liability as aforesaid on any certificate delivered to it in connect with this Condition 6.

- (vi) As used in these Conditions:

“**Acquiror**” means the person which, following a Relevant Event, controls the Issuer;

the “**Acquiror Status Condition**” shall be satisfied if the Capital Securities will continue to be “hybrid capital instruments” for the purposes of Part 5 of the Corporation Tax Act 2009 (or benefit from equivalent treatment under any replacement tax rules relevant to the entitlement of the Issuer to claim a deduction in computing its tax liabilities in respect of any payments made under, or funding costs recognised in its accounts in respect of, the Capital Securities) once arrangements are in place for the issue of Relevant Shares by the Acquiror in the event of Conversion;

“**Approved Entity**” means a body corporate that is incorporated or established under the laws of an OECD member state and which, on the occurrence of the Relevant Event, has in issue Relevant Shares;

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

the “**New Conversion Condition**” shall be satisfied if by not later than seven days following the occurrence of a Relevant Event where the Acquiror is an Approved Entity (i) the Acquiror Status Condition has been satisfied and (ii) the Issuer shall have entered into arrangements to its satisfaction with the Approved Entity pursuant to which the Approved Entity irrevocably undertakes to the Trustee, for the benefit of the Holders, to deliver the Relevant Shares to the Settlement Shares Depository for the Holders upon a Conversion of the Capital Securities, all as contemplated in Condition 6(e)(i);

**“New Conversion Condition Effective Date”** means the date with effect from which the New Conversion Condition shall have been satisfied;

**“New Conversion Price”** means the higher of (A) NCP determined by the Issuer in accordance with the following formula and (B) the nominal amount of one Relevant Share:

$$\text{NCP} = \text{ECP} \times (\text{VWAPRS}/\text{VWAPOS})$$

where:

NCP is the New Conversion Price (if not an integral multiple of £0.0001, rounded down to the nearest integral multiple of £0.0001);

ECP is the Conversion Price in effect on the Trading Day (if the TSBBG Ordinary Shares are listed at the relevant time) or Business Day (if the TSBBG Ordinary Shares are not listed at the relevant time) immediately prior to the New Conversion Condition Effective Date, provided that for the purpose of this definition only, if in accordance with Condition 6(d)(vi) any adjustment was not required to be made to the Conversion Price and/or the Conversion Price was rounded down in respect of an adjustment pursuant to Condition 6(d)(i), (ii), (iii) or (v), the Conversion Price in effect immediately prior to the New Conversion Condition Effective Date shall be the Conversion Price that would have been in effect at such time if such adjustment which was not made had actually been made at the relevant time and/or, as the case may be, if such rounding down had not been made;

VWAPRS means the average of the VWAP of the Relevant Shares (translated, if necessary, into pounds sterling at the Prevailing Rate on the relevant Trading Day) on each of the 10 Trading Days ending on the Trading Day prior to the date the Relevant Event shall have occurred (and where references in the definitions of “VWAP” and “Trading Day” to “TSBBG Ordinary Shares” shall be construed as a reference to the Relevant Shares); and

VWAPOS is the average of the VWAP of the TSBBG Ordinary Shares (translated, if necessary into pounds sterling at the Prevailing Rate on the relevant Trading Day) on each of the 10 Trading Days ending on the Trading Day prior to the date the Relevant Event shall have occurred;

**“Non-Qualifying Relevant Event”** means a Relevant Event that is not a Qualifying Relevant Event;

**“OECD”** means The Organisation for Economic Co-operation and Development;

**“Qualifying Relevant Event”** means a Relevant Event where: (A) the Acquiror is an Approved Entity; and (B) the New Conversion Condition is satisfied;

**“Regulated Market”** means an EEA Regulated Market or another regulated, regularly operating, Recognised Stock Exchange or securities market in the UK or another OECD member state;

a **“Relevant Event”** shall occur if any person or persons acting in concert (as defined in the Takeover Code of the United Kingdom Panel on Takeovers and Mergers), other than any such person who holds more than 50 per cent. of the issued TSBBG Ordinary Shares as at the Issue Date, acquires control of the Issuer on or following an IPO Event (other than as a result of a Newco Scheme). For the purposes of this definition of Relevant Event, “control” means, directly or indirectly:

- (I) the acquisition or holding of legal or beneficial ownership of more than 50 per cent. of the issued TSBBG Ordinary Shares; or

- (II) the right to appoint and/or remove all or the majority of the members of the board of directors of TSBBG, whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise,

and “**controlled**” shall be construed accordingly; and

“**Relevant Shares**” means ordinary share capital of the Approved Entity that constitutes equity share capital or the equivalent (or depositary or other receipts representing the same) which is listed and admitted to trading on a Regulated Market.

**(f) Covenants**

Whilst any Capital Security remains outstanding, the Issuer shall (if and to the extent permitted by the Regulatory Capital Requirements and/or the Relevant Authority from time to time and only to the extent that such covenant would not cause a Capital Disqualification Event to occur) in the event of a Newco Scheme, save with the approval of an Extraordinary Resolution, take (or shall procure that there is taken) all necessary action to ensure that the Newco Scheme is an Exempt Newco Scheme and that immediately after completion of the Scheme of Arrangement such amendments are made to these Conditions and the Trust Deed as are necessary to ensure that the Capital Securities may be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed. The Trustee shall (at the expense of the Issuer and provided that the Trustee receives a certificate signed by an Authorised Signatory certifying that the effect of such amendments will be only that the Capital Securities may be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed) be bound to concur in effecting such amendments, **provided that** the Trustee shall not be bound to concur if to do so would, in the opinion of the Trustee (i) expose the Trustee to any liability against which it is not indemnified and/or secured and/or prefunded to its satisfaction, (ii) change, increase or add to the obligations or duties of the Trustee or (iii) remove or amend any protection or indemnity afforded to, or any other provisions in favour of, the Trustee under the Trust Deed, the Conditions and/or the Capital Securities.

**(g) 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 issue and delivery of TSBBG Ordinary Shares upon Conversion. A Holder must pay all (if any) taxes and capital, stamp, issue, registration and transfer taxes and duties arising for it on Conversion in connection with the issue and delivery of TSBBG Ordinary Shares to the Settlement Shares Depository on behalf of such Holder or to such Holder (as the case may be) and all (if any) taxes or capital, stamp, issue, registration and transfer taxes and duties arising for it as a consequence of any disposal or deemed disposal of its Capital Securities (or any interest therein) and/or the issue or delivery to it of any TSBBG Ordinary Shares (or any interest therein).

**(h) Delivery**

The TSBBG Ordinary Shares to be delivered on Conversion will be issued and delivered to the Settlement Shares Depository to be held on trust (or as otherwise provided in these Conditions) for the Holders on the Conversion Date.

Such TSBBG Ordinary Shares will be delivered to Holders:

- (i) prior to an IPO Event, in certificated form; and

- (ii) on or following an IPO Event, in uncertificated form through the dematerialised securities trading system operated by Euroclear UK & Ireland Limited, known as CREST, unless at the relevant time the TSBBG Ordinary Shares are not a participating security in CREST, in which case TSBBG Ordinary Shares will be delivered in certificated form or in such other manner as the Issuer shall in its sole discretion determine.

Where any TSBBG Ordinary Shares are to be delivered to Holders by the Settlement Shares Depository through CREST, they will be delivered to the account specified by the relevant Holder in the relevant Conversion Notice, on the relevant Settlement Date. Where any TSBBG Ordinary Shares are to be delivered to Holders in certificated form, a certificate in respect thereof will be dispatched by mail free of charge to the relevant Holder or as it may direct in the relevant Conversion Notice (in each case uninsured and at the risk of the relevant recipient) within 28 days following delivery of the relevant Conversion Notice.

The TSBBG 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).

**(i) *TSBBG Ordinary Shares***

The TSBBG Ordinary Shares issued and delivered on Conversion will be fully paid and non-assessable and will, if at the relevant Settlement Date there exists a Shareholders’ Agreement, be subject to the terms of such Shareholders’ Agreement and will in all respects rank *pari passu* with the relevant fully paid TSBBG Ordinary Shares in issue on the Conversion Date (except in any such case as provided in Condition 6(b)(vii)) except for any right excluded by mandatory provisions of applicable law, and except that any TSBBG Ordinary Shares so issued and delivered will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distribution or payments the record date or other due date for the establishment of entitlement for which falls prior to the Conversion Date.

**(j) *Determinations 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 6 by the Issuer will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agents and all Holders and (in the absence of wilful default and bad faith) no liability to the Trustee or Holders shall attach to the Issuer in connection with the exercise or non-exercise by it of any of its powers, duties and discretions under this Condition.

**7 Redemption, Substitution, Variation and Purchase**

**(a) *No Fixed Redemption Date***

The Capital 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.

**(b) *Conditions to Redemption, Substitution, Variation and Purchase***

Any redemption, substitution, variation or purchase of the Capital Securities in accordance with Condition 7(c), (d), (e), (f), (g) or (h) is subject, as applicable and in each case to the extent, and in the manner, required by the relevant Regulatory Capital Requirements, to the following requirements:

- (i) the Issuer has obtained prior Supervisory Permission therefor and such Supervisory Permission has not been revoked by the relevant date of such redemption, substitution, variation or purchase;
- (ii) in the case of any redemption or purchase of any Capital Securities, either: (A) the Issuer has (or will, on or before the relevant redemption or purchase date, have) replaced the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or, save in the case of Condition 7(b)(v)(A) below, or (B) the Issuer has demonstrated to the satisfaction of the Relevant Authority that the own funds and eligible liabilities of the Issuer Group would, following such redemption or purchase, exceed its minimum applicable capital and eligible liabilities requirements (including any applicable buffer requirements) by a margin (calculated in accordance with prevailing Regulatory Capital Requirements) that the Relevant Authority considers necessary at such time;
- (iii) in the case of any redemption of the Capital Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date;
- (iv) in the case of any redemption of the Capital Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, the Issuer has demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Capital Securities was not reasonably foreseeable as at the Reference Date; and
- (v) in the case of any redemption or purchase of the Capital Securities prior to the fifth anniversary of the Reference Date pursuant to Condition 7(f) or Condition 7(h), either (A) the Issuer has (or will, on or before the relevant purchase date, have) replaced the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Relevant Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) in the case of such a purchase pursuant to Condition 7(h) the relevant Capital Securities are being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

Any refusal by the Relevant Authority to give its Supervisory Permission as contemplated above (or, having given it, any revocation by the Relevant Authority of such Supervisory Permission) shall not constitute a default for any purpose.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Regulatory Capital Requirements permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 7(b), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

In addition, if the Issuer has elected to redeem, substitute or vary the terms of the Capital Securities, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Capital Securities and:

- (A) (in the case of a redemption or purchase) the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for redemption or purchase; or
- (B) prior to the redemption, purchase, substitution or variation of the Capital Securities, a Trigger Event occurs,

the relevant redemption, substitution or variation notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent, as soon as practicable. Further, no notice of redemption, substitution or variation shall be given in the period following the occurrence of a Trigger Event (and any purported such notice shall be ineffective).

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 7 (other than redemption pursuant to Condition 7(c)), the Issuer shall deliver to the Trustee (i) a certificate signed by an Authorised Signatory stating that the relevant requirements or circumstances giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the terms of the relevant Compliant Securities will, following such substitution or variation (as applicable) comply with the definition thereof in Condition 20 and (ii) in the case of a redemption pursuant to Condition 7(d) only, an opinion from a nationally recognised law firm or other tax adviser in the United Kingdom experienced in such matters to the effect that the relevant requirement or circumstance referred to in any of paragraphs (a) to (e) (inclusive) of the definition of "Tax Event" applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it) and the Trustee shall treat and accept (and it shall be so treated and accepted by the Holders) such certificate and, where applicable, opinion as sufficient evidence of the satisfaction of the relevant conditions precedent, which shall be conclusive and binding on the Trustee and the Holders.

**(c) *Issuer's Call Option***

Subject to Condition 7(b), the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Capital Securities then outstanding on:

- (i) the First Reset Date; or
- (ii) any Interest Payment Date after the First Reset Date,

in each case at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Capital Securities.

**(d) *Redemption Due to Tax Event***

If, prior to the giving of the notice referred to below in this Condition 7(d), a Tax Event has occurred, then the Issuer may, subject to Condition 7(b) and having given not less than 30 nor more than 60 days'

notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Capital Securities at their principal amount, together with any accrued and unpaid interest thereon (not including, for the avoidance of doubt, interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Capital Securities.

**(e) *Redemption Due to Capital Disqualification Event***

If, prior to the giving of the notice referred to below in this Condition 7(e), a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7(b) and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Capital Securities at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Capital Securities.

**(f) *Issuer's Clean-up Call Option***

If, prior to the giving of the notice referred to below in this Condition 7(f), 75 per cent. or more of the aggregate principal amount of the Capital Securities originally issued (and, for these purposes, any Further Capital Securities issued pursuant to Condition 16 will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, then the Issuer may, subject to Condition 7(b), by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Capital Securities at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), redeem the Capital Securities.

**(g) *Substitution or Variation***

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7(b) and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for substitution or, as the case may be, variation of the Capital Securities) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Capital Securities for, or vary the terms of the Capital Securities so that they remain or, as appropriate, become, Compliant Securities, and the Trustee shall (subject to the following provisions of this Condition 7(g) and subject to the receipt by it of the certificates of the Authorised Signatories referred to in Condition 7(b) above and in the definition of Compliant Securities) agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), either vary the terms of or substitute the Capital Securities in accordance with this Condition 7(g), as the case may be.

The Trustee shall be obliged to (at the expense of the Issuer provided that the Trustee receives a certificate signed by an Authorised Signatory certifying that the effect of such substitution or variation is so that the Capital Securities remain, or as appropriate, become, Compliant Securities) agree to any substitution of the Capital Securities for, or the variation of the terms of the Capital Securities so that they remain, or as appropriate, become, Compliant Securities, provided that the Trustee shall not be bound to do so if such substitution or variation would have the effect of (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction, (ii) changing, increasing or adding to the obligations or duties of the Trustee or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed, the Conditions and/or the Capital Securities.

If the Issuer does not vary the terms of or substitute the Capital Securities in accordance with this Condition 7(g), the Issuer may, subject as provided above, redeem the Capital Securities as provided in, as appropriate, Condition 7(c), 7(d), (e) or (f).

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

**(h) Purchases**

The Issuer may, subject to Condition 7(b), in those circumstances permitted by Regulatory Capital Requirements, at any time purchase (or otherwise acquire), or procure others to purchase (or otherwise acquire) beneficially for its account, Capital Securities in any manner and at any price. The Capital Securities so purchased (or acquired), while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 9(c).

**(i) Cancellation**

All Capital Securities redeemed or substituted by the Issuer pursuant to this Condition 7 will forthwith be cancelled. All Capital Securities purchased by or on behalf of the Issuer may, subject to obtaining any Supervisory Permission therefor (and such Supervisory Permission not having been revoked), be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Registrar. Capital Securities so surrendered shall be cancelled forthwith. Any Capital Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Capital Securities shall be permanently and irrevocably discharged.

**(j) Trustee Not Obligated to Monitor**

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 7 and will not be responsible to Holders for any loss arising from any failure by it to do so. Unless and until the Trustee has actual written notice of the occurrence of any event or circumstance within this Condition 7, it shall be entitled, without liability, to assume that no such event or circumstance exists.

## **8 Payments**

**(a) Method of Payment**

- (i) Payments of principal shall be made in Pound sterling (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment



falls to be made in respect of the Capital Securities represented by such Certificates) in like manner as is provided for payments of interest in paragraph (ii) below.

- (ii) Interest on each Capital Security shall be paid to the person shown in the Register at the close of business on the business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Capital Security shall be made in pounds sterling by transfer to an account in the relevant currency maintained by the payee with a bank in London.

**(b) *Payments Subject to Laws***

Save as provided in Condition 10, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or regulations to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commissions or expenses shall be charged to the Holders in respect of such payments.

**(c) *Delay in Payment***

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Capital Security if the due date is not a Business Day, or if the Holder is late in surrendering or cannot surrender its Certificate (if required to do so).

**(d) *Non-Business Days***

If any date for payment in respect of any Capital Security is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 8, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and where payment is to be made by transfer to an account maintained with a bank in pounds sterling, on which foreign exchange transactions may be carried on in pounds sterling in London.

**9 Non-Payment When Due and Winding-Up**

**(a) *Non-Payment***

If the Issuer shall not make payment in respect of the Capital Securities for a period of seven days or more after the date on which such payment is (without prejudice to Condition 3(b), Condition 5 and Condition 6(a)(i)) due, the Issuer shall be deemed to be in default (a “**Default**”) under the Trust Deed and the Capital Securities and the Trustee, in its discretion, may, or (subject to Condition 9(c)) if so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Capital Securities then outstanding shall, notwithstanding the provisions of Condition 9(b), institute proceedings for the winding-up of the Issuer.

For the avoidance of doubt, no amounts shall be due in respect of the Capital Securities if payment of the same shall have been cancelled in accordance with Condition 3(b), Condition 5 and/or Condition 6(a)(i), and accordingly non-payment of such amounts shall not constitute a Default.

In the event of a Winding-Up (whether or not instituted by the Trustee pursuant to the foregoing), the Trustee in its discretion may, or (subject to Condition 9(c)) if so requested by an Extraordinary Resolution or in writing by the Holders of at least one-quarter in principal amount of the Capital Securities then outstanding shall, prove and/or claim in such Winding-Up, such claim being as contemplated in Condition 3(c).

**(b) Enforcement**

Without prejudice to Condition 9(a), the Trustee may, at its discretion and without notice, institute such steps, actions or proceedings 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) under the Trust Deed or the Capital Securities (other than any payment obligation of the Issuer under or arising from the Capital Securities or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Capital Securities, including any damages awarded for breach of any obligations), provided that in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to these Conditions and the Trust Deed.

Nothing in this Condition 9(b) shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer, and/or proving and/or claiming in any Winding-Up in respect of any payment obligations of the Issuer arising from the Capital Securities or the Trust Deed (including any damages awarded for breach of any obligations) in the circumstances provided in, as appropriate, Conditions 3(c) and 9(a).

**(c) Entitlement of Trustee**

The Trustee shall not be bound to take any of the actions referred to in Condition 9(a) or (b) above against the Issuer to enforce the terms of the Trust Deed or the Capital Securities unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-quarter in Principal Amount of the Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

**(d) Right of Holders**

No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails or is unable to do so within a reasonable period and such failure or inability shall be continuing, in which case the Holder shall, with respect to the Capital Securities held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Capital Securities as set out in this Condition 9.

**(e) Extent of Holders' and Trustee Remedies**

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities or under the Trust Deed. The provisions of this Condition 9 shall not, however, apply to any amount due and payable to the Trustee under the Trust Deed for its own account.

## **10 Taxation**

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Capital Securities shall (subject always to Condition 3(b), Condition 5, Condition 6(a)(i) and Condition 7(b)) 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 imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject as aforesaid) pay such additional amounts as will result in receipt by the Holders of such amounts as would have been received by

them in respect of payments of interest had no such withholding or deduction been required (“**Additional Amounts**”), except that no such Additional Amounts shall be payable in respect of any Capital Security:

- (a) held or presented for payment by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Capital Security by reason of its having some connection with the Relevant Jurisdiction other than a mere holding of such Capital Security;
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Certificate representing the Capital Security is presented for payment; or
- (c) in respect of which the Certificate representing it is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

References in these Conditions (including, without limitation, for the purposes of cancellation pursuant to Condition 3(b), Condition 5 and Condition 6(a)(i)) to interest shall be deemed to include any Additional Amounts which may be payable under this Condition 10 or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Notwithstanding any other provisions of these Conditions, any amounts to be paid on the Capital Securities by or on behalf of the Issuer shall be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

## **11 Prescription**

Claims against the Issuer for payment in respect of the Capital Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **12 Meetings of Holders, Modification, Waiver and Substitution**

### **(a) Meetings of Holders**

The Trust Deed contains provisions for convening meetings of Holders (including in a physical place or by any electronic platform (such as a conference call or videoconference) or a combination of such methods) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. in principal amount of the Capital Securities for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Capital Securities so held or represented, except that at any meeting the

business of which includes the modification of certain of these Conditions (including, *inter alia*, the provisions regarding subordination referred to in Condition 3, the terms concerning currency and due dates for payment of principal or interest payments in respect of the Capital Securities and reducing or cancelling the principal amount of, or interest on, any Capital Securities, or the Interest Rate or varying the method of calculating the Interest Rate) and certain other provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in principal amount of the Capital Securities for the time being outstanding.

The agreement or approval of the Holders shall not be required in the case of cancellation of interest in accordance with Condition 5 or 6(a)(i), the resetting of the Interest Rate on each Reset Date in accordance with Condition 4(d), the operation of the provisions of Condition 4(i) (including, without limitation, the implementation of any Benchmark Amendments), any variation of these Conditions and/or the Trust Deed or any substitution of the Capital Securities made in the circumstances described in Condition 7(g).

The Trust Deed provides that (i) a resolution passed, at a meeting duly convened and held, by a majority of at least 75 per cent. of the votes cast, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Capital Securities for the time being outstanding or (iii) if applicable, consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Holders of not less than 75 per cent. in principal amount of the Capital Securities for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

An Extraordinary Resolution passed at any meeting of Holders or in writing or by way of electronic consents will be binding on all Holders, whether or not they are present at the meeting or voting in favour or, as the case may be, whether or not signing the written resolution or providing electronic consents.

**(b) *Modification of the Trust Deed***

The Trustee may agree, without the consent of the Holders, to (i) any modification of these Conditions or of any other provisions of the Trust Deed or the Agency Agreement which in its opinion is of a formal, minor or technical nature or is made to correct a manifest error; and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of these Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. The Trustee may, without the consent of the Holders, determine that any Default should not be treated as such, provided that, in the opinion of the Trustee, the interests of Holders are not materially prejudiced thereby.

Further, the Trustee shall agree, without the consent of the Holders, to any Benchmark Amendments in accordance with Condition 4(i), provided it receives a certificate signed by two Authorised Signatories of the Issuer certifying that each change which the Issuer requires the Trustee to make pursuant to Condition 4(i) is a Benchmark Amendment and that the effect of the required drafting of such change is solely to implement a Benchmark Amendment, consent to any Benchmark Amendment, irrespective of the effect thereof on affected Holders and without any liability thereto provided further, however, that the Trustee shall not be obliged to agree to any Benchmark Amendment which, in its sole opinion, would have the effect of (i) exposing the Trustee to any liability in respect of which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections of the Trustee in the Trust Deed, the Agency Agreement and/or these

Conditions (as applicable) or any modifications pursuant to Conditions 6(e)(iii), 6(f) and 7(g), subject to the terms thereof and receiving the certificate of an Authorised Signatory as described therein.

No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have obtained any requisite Supervisory Permission therefor from the Relevant Authority and such Supervisory Permission has not been revoked by the relevant date of such modification.

**(c) Substitution**

The Trust Deed contains provisions permitting the Trustee, subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Relevant Authority, to agree, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced thereby but without the consent of the Holders, to the substitution on a subordinated basis equivalent to that referred to in Condition 3 of certain other entities (any such entity, a “**Substitute Obligor**”) in place of the Issuer (or any previous Substitute Obligor under this Condition) as a new principal debtor under the Trust Deed and the Capital Securities.

**(d) Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to, any modification, waiver, authorisation, determination or substitution) the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.

**(e) Notices**

Any such modification, waiver, authorisation, determination or substitution shall be binding on all Holders and, unless the Trustee agrees otherwise, any such modification, waiver or substitution shall be notified to the Holders in accordance with Condition 15 as soon as practicable thereafter.

**13 Replacement of the Capital Securities**

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

**14 Rights of the Trustee**

The Trust Deed contains provisions for the indemnification of, and/or the provision of security for, and/or pre-funding of, the Trustee and for its relief from responsibility.

The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Holders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and

whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

Condition 3 applies only to amounts payable in respect of the Capital Securities and nothing in Conditions 3, 6 or 9 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

The Trustee shall have no responsibility for, or liability or obligations in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment of interest, principal or other amounts by reason of Conditions 3, 5 or 6. Furthermore, the Trustee shall not be responsible for any calculation or the verification of any calculation in connection with any of the foregoing.

## **15 Notices**

Notices required to be given to the Holders pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the second weekday (being a day other than a Saturday or Sunday) after the date of mailing. The Issuer shall also ensure that all such notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Capital Securities are for the time being listed and/or admitted to trading.

## **16 Further Issues**

The Issuer may from time to time without the consent of the Holders, but subject to it obtaining any Supervisory Permission required therefor (and such Supervisory Permission not having been revoked at the relevant date of such creation and issue), create and issue further securities having the same terms and conditions as the Capital Securities in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Capital Securities) (“**Further Capital Securities**”). References in these Conditions to the Capital Securities include (unless the context requires otherwise) any Further Capital Securities issued pursuant to this Condition 16. Any Further Capital Securities shall be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Holders and the holders of securities of other series where the Trustee so decides.

## **17 Agents**

The initial Principal Paying Agent, the Registrar, the Agent Bank and the Transfer Agents and their initial specified offices are listed below. They act solely as agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Holder. The Issuer reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Agent Bank and the Transfer Agents and to appoint replacement agents as additional or other Transfer Agents, provided that it will:

- (a) at all times maintain a Principal Paying Agent, a Registrar and a Transfer Agent; and
- (b) whenever a function expressed in these Conditions to be performed by the Agent Bank falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank.

Notice of any such termination or appointment and of any change in the specified offices of the Agents will be given by the Issuer to the Holders in accordance with Condition 15. If any of the Agent Bank, Registrar or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be),

the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Agent Bank, Registrar, the Principal Paying Agent or any such independent financial institution in relation to the Capital Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Agent Bank, the Registrar, the Principal Paying Agent and the Holders.

## 18 Governing Law and Jurisdiction

### (a) *Governing Law*

The Trust Deed, the Capital Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.

### (b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Capital Securities and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Capital Securities (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England in respect of any such Proceedings.

## 19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Capital Securities by virtue of the Contracts (Rights of Third Parties) Act 1999.

## 20 Definitions

In these Conditions:

“**Acquiror**” has the meaning given to it in Condition 6(e)(vi);

“**Acquiror Status Condition**” has the meaning given to it in Condition 6(e)(vi);

“**Additional Amounts**” has the meaning given to it in Condition 10;

“**Additional Tier 1 Capital**” has the meaning given to it (or to any successor term) from time to time by the Relevant Authority;

“**Agency Agreement**” has the meaning given to it in the preamble to these Conditions;

“**Agent Bank**” has the meaning given to it in the preamble to these Conditions;

“**Agents**” means the Principal Paying Agent, the Agent Bank, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Capital Securities;

“**Approved Entity**” has the meaning given to it in Condition 6(e)(vi);

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

“**Authorised Signatory**” means any person duly authorised for such purposes by the Board of Directors of the Issuer;

“**Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London;

“**Calculation Amount**” means £200,000 in principal amount;

“**Capital Disqualification Event**” is deemed to have occurred if there is a change (which has occurred or which the Relevant Authority considers to be sufficiently certain) in the regulatory classification of the Capital Securities which becomes effective after the Reference Date and that results, or would be likely to result, in some of or the entire principal amount of the Capital Securities being excluded from the Additional Tier 1 Capital of the Issuer Group;

“**Capital Securities**” has the meaning given to it in the preamble to these Conditions;

“**Cash Distribution**” means any dividend or distribution in respect of the TSBBG Ordinary Shares which is to be paid or made to Shareholders as a class in cash (whatever the currency) and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital;

“**Certificate**” has the meaning given to it in Condition 1(a);

“**CET1 Capital**”, at any time, means the sum, expressed in pounds sterling, of all amounts that constitute Common Equity Tier 1 Capital at such time of the Issuer Group less any deductions therefrom required to be made at such time, as calculated on a consolidated basis in accordance with the Regulatory Capital Requirements at such time but without applying any transitional provisions under the Regulatory Capital Requirements which are applicable at such time (unless such transitional provisions are permitted to be applied for these purposes under such Regulatory Capital Requirements), which calculation shall be binding on the Trustee and the Holders;

“**CET1 Ratio**” means, at any time, the ratio of the aggregate amount of the CET1 Capital at such time to the Risk Weighted Assets at such time and expressed as a percentage (the “**CET1 Ratio of the Issuer Group**”);

“**Common Equity Tier 1 Capital**” means common equity tier 1 capital as contemplated by the Regulatory Capital Requirements then applicable, or an equivalent or successor term;

“**Compliant Securities**” means securities issued directly by the Issuer that:

- (a) have terms which are not materially less favourable to an investor than the terms of the Capital Securities (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certificate to such effect (including as to such consultation) of two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall rely without further enquiry and without liability to any person) prior to the issue or, as appropriate, variation of the relevant securities), and, subject thereto, which (i) contain terms which comply with the then current requirements of the Relevant Authority in relation to Additional Tier 1 Capital; (ii) have the same principal amount as the principal amount of the Capital Securities and provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Capital Securities; (iii) rank *pari passu* with the Capital Securities; and (iv) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been either paid or cancelled (but subject always to the right of the Issuer subsequently to cancel such accrued and unpaid interest in accordance with the terms of the securities);
- (b) are (i) listed on the ISM; (ii) admitted to trading on such other multilateral trading facility as is operated by a Regulated Recognised Stock Exchange; or (iii) listed on a stock exchange that is a Recognised Stock Exchange, in each case at that time as selected by the Issuer; and
- (c) where the Capital Securities which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation and such rating was solicited by or on behalf



of the Issuer, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Compliant Securities;

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

“**Conversion**” has the meaning given to it in Condition 6(a);

“**Conversion Date**” means the date specified as such in the Trigger Event Notice and, in accordance with Condition 6(a), in any event no later than one month (or such shorter period as the Relevant Authority may then require) from the occurrence of the relevant Trigger Event;

“**Conversion Notice**” means a notice in the form for the time being currently available from the specified office of the Issuer and which is required to be delivered to the Settlement Shares Depository (or its agent(s) designated for the purpose in the Trigger Event Notice) in connection with a Conversion of the Capital Securities and which may contain a representation that the relevant Holder is entitled to take delivery of the TSBBG Ordinary Shares in the manner contemplated in these Conditions and has obtained all (if any) consents needed in order to do so;

“**converted**” has the meaning given to it in Condition 6(a);

“**Current Price**” means, in respect of a TSBBG Ordinary Share as at any date:

- (i) in the case of TSBBG Ordinary Shares which are listed, the average daily VWAP of such a TSBBG Ordinary Share on each of the 5 consecutive Trading Days ending on the Trading Day immediately preceding such date; and
- (ii) otherwise, the fair value of the TSBBG Ordinary Share at close of business on the Business Day immediately preceding such date, as determined by the Issuer following consultation with an Independent Adviser, acting in good faith;

“**Directors**” means the directors of the Issuer;

“**Distributable Items**” means, subject as otherwise defined from time to time in the Regulatory Capital Requirements, in relation to interest otherwise scheduled to be paid on a date, the amount of the profits of the Issuer at the end of the last Financial Year immediately preceding such date plus any profits brought forward and reserves available for that purpose before distributions by the Issuer to holders of Parity Securities, the Capital Securities or any Junior Securities less any losses brought forward, any profits which are non-distributable pursuant to applicable national law or the Issuer’s articles of association and any sums placed in non-distributable reserves in accordance with the Companies Act 2006 or the articles of association of the Issuer, in each case with respect to the specific category of own funds instruments to which national law or the Issuer’s articles of association relate; such 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;

“**EEA Regulated Market**” has the meaning given to it in Condition 6(e)(vi);

“**Ex-Date**” has the meaning given to it in Condition 6(d)(iii);

“**Exempt Newco Scheme**” means a Newco Scheme where:

- (i) in respect of a Newco Scheme undertaken on or following an IPO Event, immediately after completion of the relevant Scheme of Arrangement; or
- (ii) in respect of a Newco Scheme undertaken prior to an IPO Event, within the three months following completion of the relevant Scheme of Arrangement,

the ordinary shares or units or equivalent of Newco (or depository or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are (i) admitted to trading on the Official List of the UK

Financial Conduct Authority or a Recognised Stock Exchange or (ii) admitted to trading on such other regulated market as the Issuer or Newco may determine;

“**Extraordinary Resolution**” means a resolution passed (a) at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution (as defined in the Trust Deed) or (c) by an Electronic Consent (as defined in the Trust Deed);

“**Financial Year**” means the financial year of the Issuer (being the one-year period in respect of which it prepares annual audited financial statements) from time to time, which as at the Issue Date runs from (and including) 1 January in one calendar year to (but excluding) the same date in the immediately following calendar year;

“**First Reset Date**” means 26 March 2030;

“**Further Capital Securities**” has the meaning given to it in Condition 16;

“**Independent Adviser**” means any independent investment bank or independent adviser of international standing appointed by the Issuer at its own expense from time to time for the purposes of carrying out the duties described in one or more of these Conditions and in performing such role such entity shall have regard to the interests of the Issuer and the Holders alike;

“**Initial Fixed Interest Rate**” has the meaning given to it in Condition 4(c);

“**Initial Fixed Rate Interest Period**” means the period from (and including) the Issue Date to (but excluding) the First Reset Date;

“**Holder**” has the meaning given to it in Condition 1(b);

“**Interest Payment Date**” means:

- (i) 26 March and 26 September in each year, in the period starting on (and including) 26 March 2025 and ending on (and including) the First Reset Date; and
- (ii) 26 December, 26 March, 26 June and 26 September in each year, starting on 26 June 2030;

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Interest Rate**” means the Initial Fixed Interest Rate and/or the Reset Rate of Interest, as the case may be;

“**IPO Event**” means the first admission to trading and listing of the TSBBG Ordinary Shares after the Issue Date on the Official List of the UK Financial Conduct Authority or on any Recognised Stock Exchange. The IPO Event shall be treated as occurring on the day on which trading in such TSBBG Ordinary Shares begins on an unconditional basis;

“**ISM**” means the International Securities Market of the London Stock Exchange plc;

“**Issue Date**” means 5 December 2024, being the date of the initial issue of the Capital Securities;

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

“**Issuer Group**” means the Issuer and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements) of which the Issuer is part from time to time;

“**Junior Securities**” means (i) any ordinary share or other securities of the Issuer ranking, or expressed to rank, junior to the Capital Securities in a Winding-Up and/or (ii) any securities issued by any other member of the Issuer Group where the terms of such securities benefit from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, junior to the Capital Securities in a Winding-Up;

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

“**Long-Stop Date**” means the date on which any Capital Securities in relation to which no duly completed Conversion Notice has been received by the Settlement Shares Depository (or its designated agent(s)) shall be cancelled, which date is expected to be no more than 60 Business Days following the Conversion Date and which will be notified to Holders in the Trigger Event Notice;

“**Margin**” means 5.04 per cent.;

“**Maximum Distributable Amount**” means any applicable maximum distributable amount relating to the Issuer or the Issuer Group required to be calculated in accordance with any applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated if the Issuer Group is failing to meet any applicable requirement or any buffers relating to such requirement;

“**New Conversion Condition**” has the meaning given to it in Condition 6(e)(vi);

“**New Conversion Condition Effective Date**” has the meaning given to it in Condition 6(e)(vi);

“**New Conversion Price**” has the meaning given to it in Condition 6(e)(vi);

“**Newco Scheme**” means a scheme of arrangement or analogous proceeding (“**Scheme of Arrangement**”) which effects the interposition of a limited liability company (“**Newco**”) between the Shareholders of the Issuer immediately prior to the Scheme of Arrangement (the “**Existing Shareholders**”) and the Issuer; provided that: (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders; (ii) immediately after completion of the Scheme of Arrangement the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco, are Existing Shareholders holding in the same proportions as immediately prior to completion of the Scheme of Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder of the Issuer; (iv) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement;

“**Non-Qualifying Relevant Event**” has the meaning given to it in Condition 6(e)(vi);

“**OECD**” has the meaning given to it in Condition 6(e)(vi);

“**own funds instruments**” has the meaning given to it in the Regulatory Capital Requirements;

“**Parity Securities**” means (i) the most senior ranking class or classes of preference shares in the capital of the Issuer from time to time and any other securities of the Issuer ranking, or expressed to rank, *pari passu* with the Capital Securities and/or such preference shares following a Winding-Up and/or (ii) any securities issued by any other member of the Issuer Group where the terms of the securities benefit from a guarantee or support

agreement entered into by the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities and/or such preference shares following a Winding-Up;

“**pounds sterling**” or “**pence**” means the lawful currency of the United Kingdom;

“**PRA Rulebook**” means the applicable rules made and/or enforced by the Prudential Regulation Authority under powers conferred by the Financial Services and Markets Act 2000, as amended or replaced from time to time;

“**Prevailing Rate**” means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (London time) on that date as appearing on or derived from the relevant page on Bloomberg (or such other information service provider that displays the relevant information) or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (London time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the relevant page on Bloomberg (or such other information service provider that displays the relevant information), the rate determined in such other manner as an Independent Adviser shall in good faith prescribe;

“**Principal Paying Agent**” has the meaning given to it in the preamble to these Conditions;

“**Qualifying Relevant Event**” has the meaning given to it in Condition 6(e)(vi);

“**Rating Agency**” means Moody’s Investors Service Ltd. or Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings Ltd. and/or their respective successors and affiliates;

“**Recognised Stock Exchange**” means a recognised stock exchange as defined in section 1005 of the United Kingdom Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

“**Record Date**” has the meaning given to it in Condition 8(a);

“**Reference Date**” means the later of (i) the Issue Date and (ii) the latest date (if any) on which any Further Capital Securities have been issued pursuant to Condition 16;

“**Register**” has the meaning given to it in Condition 1(b);

“**Registrar**” has the meaning given to it in the preamble to these Conditions;

“**Regulated Market**” has the meaning given to it in Condition 6(e)(vi);

“**Regulated Recognised Stock Exchange**” means a Recognised Stock Exchange that is regulated in the United Kingdom, the European Economic Area or Gibraltar;

“**Regulatory Capital Requirements**” means, at any time, any requirement or provision contained in the laws, regulations, requirements, guidelines and policies of the Relevant Authority (whether or not having the force of law) or of the United Kingdom relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution (including any minimum requirement for own funds and eligible liabilities) and applicable to the Issuer and/or the Issuer Group;

“**Relevant Authority**” means, at any time, the Prudential Regulation Authority or such other additional or successor authority having primary supervisory authority with respect to prudential and/or resolution matters concerning the Issuer and the Issuer Group at such time;

“**Relevant Date**” means (i) 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 Holders that, upon further surrender of the Certificate representing such Capital Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender, and (ii) 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);

“**Relevant Event**” has the meaning given to it in Condition 6(e)(vi);

“**Relevant Event Notice**” has the meaning given to it in Condition 6(e)(v);

“**Relevant Jurisdiction**” means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject by reason of having its tax residence or a permanent establishment maintained therein in respect of payments made by it of principal and/or interest on the Capital Securities;

“**Relevant Shares**” has the meaning given to it in Condition 6(e)(vi);

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

“**Reset Determination Date**” means, in respect of a Reset Period, the first day of such Reset Period unless such day is not a Business Day, in which case it shall mean the immediately preceding Business Day;

“**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 Rate of Interest**” has the meaning given to it in Condition 4(d);

“**Reset Reference Banks**” means five leading swap dealers in the sterling interbank market selected by the Issuer;

“**Reset Reference Rate**” means in respect of a Reset Period, subject to Condition 4(i), (i) the applicable annual mid-swap rate for swap transactions in pounds sterling (with a maturity equal to five years) where the floating leg pays daily compounded SONIA annually, as displayed on the Screen Page at 11.15 a.m. (London time) on the relevant Reset Determination Date or (ii) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate on the relevant Reset Determination Date, where:

“**Mid-Swap Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/365 (Fixed) day count basis) of a fixed for floating interest rate swap transaction in pounds sterling which (i) has a term of five years commencing on the relevant Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market and (iii) has a floating leg based on the overnight SONIA rate compounded for 12 months (calculated on an Actual/365 (Fixed) day count basis);

“**Reset Reference Bank Rate**” means the percentage rate determined by the Agent Bank on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Issuer (and then provided by the Issuer to the Agent Bank) as soon as reasonably practicable after 11.15 a.m. (London time) on the relevant Reset Determination Date and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided.

If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of any Reset Period other than the Reset Period commencing on the First Reset Date, the Reset Reference Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 3.710 per cent.; and

“**Screen Page**” means Bloomberg screen page “BPISDS05 Index”, or such other screen page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace Bloomberg, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates.

“**Risk Weighted Assets**” means, at any time, the aggregate amount, expressed in pounds sterling, of the total risk exposure amount of the Issuer Group at such time, as calculated on a consolidated basis in accordance with the Regulatory Capital Requirements at such time and without applying any transitional arrangements under the Regulatory Capital Requirements which are applicable at such time (unless such transitional provisions are permitted to be applied for these purposes under such Regulatory Capital Requirements), which calculation shall be binding on the Trustee and the Holders;

“**Scheme of Arrangement**” has the meaning given to it in the definition of Newco Scheme.

“**Senior Creditors**” means creditors of the Issuer: (a) who are unsubordinated creditors of the Issuer; (b) whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of the Issuer but not further or otherwise; or (c) whose claims are, or are expressed to be, junior to the claims of other creditors of the Issuer, whether subordinated or unsubordinated, other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders in a winding-up in respect of the Capital Securities (and, for the avoidance of doubt, Senior Creditors shall include holders of Tier 2 Capital instruments);

“**Settlement Date**” means, with respect to a Holder seeking to obtain TSBBG Ordinary Shares from the Settlement Shares Depository (or its agent), the second Business Day after the day on which such Holder delivers the relevant Conversion Notice to the Settlement Shares Depository (or its agent);

“**Settlement Shares Depository**” means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Issuer) to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed to perform such functions and that will hold the TSBBG Ordinary Shares on trust for the Holders of the Capital Securities in one or more segregated accounts and otherwise on terms consistent with these Conditions;

“**Shareholders**” means the holders of TSBBG Ordinary Shares;

“**Shareholders’ Agreement**” means, in respect of any Settlement Date, the agreement (if any) to which all of the holders of TSBBG Ordinary Shares as at such date (in their capacity as such) and the Issuer are a party;

“**Solvency Condition**” has the meaning given to it in Condition 3(b);

“**Substitute Obligor**” has the meaning given to it in Condition 12(c);

“**Supervisory Permission**” means, in relation to any action, such notice, permission, consent, approval, non-objection and/or waiver as is required therefor under prevailing Regulatory Capital Requirements (if any);

“**Tax Event**” is deemed to have occurred if as a result of a Tax Law Change:

- (a) in making any payments on the Capital Securities, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or

- (b) the Issuer is no longer entitled to claim a deduction in respect of any interest payable on the Capital Securities in computing its taxation liabilities or the amount, or value to the Issuer, of such deduction is materially reduced; or
- (c) the Capital Securities are prevented from being treated as loan relationships for United Kingdom tax purposes; or
- (d) the Issuer is not 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 so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Capital Securities or any similar system or systems having like effect as may from time to time exist); or
- (e) the Capital Securities or any part thereof are treated as a derivative or an embedded derivative for United Kingdom tax purposes; or
- (f) 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 occurrence of a Trigger Event or the Conversion and/or write-down of the Capital Securities (including, pursuant to these Conditions or as a result of the exercise of any regulatory powers under the Banking Act 2009); or
- (g) the Issuer suffers or would suffer any other material adverse tax consequence in connection with the Capital Securities,

and, in any such case the Issuer could not avoid the foregoing by taking measures reasonably available to it;

“**Tax Law Change**” means a change in or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which such Relevant Jurisdiction is a party, or any change in the application of the official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by a tax authority regarding the anticipated tax treatment of the Capital Securities, which change or amendment (a) (subject to (b)) becomes effective on or after the Reference Date, or (b) in the case of a change in law or regulation, if such change is enacted on or after the Reference Date;

“**Tier 2 Capital**” has the meaning given to it (or any successor term) from time to time by the Relevant Authority;

“**Trading Day**” means any day (other than a Saturday or a Sunday) on which the primary stock exchange (if any) on which the TSBBG Ordinary Shares are listed is open for business and the TSBBG Ordinary Shares may be traded;

“**Transfer Agent**” has the meaning given to it in the preamble to these Conditions;

“**Trigger Event**” means that the CET1 Ratio of the Issuer Group has fallen below 7.00 per cent.;

“**Trigger Event Notice**” has the meaning given to it in Condition 6(a);

“**Trust Deed**” has the meaning given to it in the preamble to these Conditions;

“**Trustee**” has the meaning given to it in the preamble to these Conditions;

“**TSBBG Ordinary Shares**” means ordinary voting shares in the capital of the Issuer currently with a nominal value of £1.00 each (or, in the event of an Exempt Newco Scheme, the ordinary shares of the Newco);

“**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**VWAP**” in relation to a TSBBG Ordinary Share on any Trading Day means the order book volume weighted average price of such TSBBG Ordinary Share on such Trading Day (rounded to the nearest second decimal place (with 0.005 rounded up)) published by or derived from the relevant Bloomberg page (or any successor page) or, if there is no such relevant page, such other source as shall be determined by an Independent Adviser to be appropriate on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the VWAP of a TSBBG Ordinary Share in respect of such Trading Day shall be the VWAP, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined; and

“**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 Trustee or an Extraordinary Resolution and do not provide that the Capital 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) 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.



## Schedule 3 Provisions for Meetings of Holders

### Interpretation

In this Schedule:

- 1.1 references to a meeting are to a physical meeting, a virtual meeting or a hybrid meeting of Holders and include, unless the context otherwise requires, any adjournment;
- 1.2 “**agent**” means a proxy, or representative of, a Holder;
- 1.3 “**Electronic Consent**” has the meaning set out in paragraph 24;
- 1.4 “**electronic platform**” means any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems;
- 1.5 “**Extraordinary Resolution**” means a resolution passed (a) at a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;
- 1.6 “**hybrid meeting**” means a combined physical meeting and virtual meeting convened pursuant to this Schedule by the Issuer or the Trustee at which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform;
- 1.7 “**meeting**” means a meeting convened pursuant to this Schedule by the Issuer or the Trustee and whether held as a physical meeting or as a virtual meeting or as a hybrid meeting;
- 1.8 “**physical meeting**” means any meeting attended by persons present in person at the physical location specified in the notice of such meeting;
- 1.9 “**present**” means physically present in person at a physical meeting or a hybrid meeting, or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform;
- 1.10 “**virtual meeting**” means any meeting held via an electronic platform;
- 1.11 “**Written Resolution**” means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Capital Securities outstanding;
- 1.12 references to persons representing a proportion of the Capital Securities are to Holders or agents holding or representing in the aggregate at least that proportion in principal amount of the Capital Securities for the time being outstanding; and
- 1.13 where Capital Securities are held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, references herein to the deposit or release or surrender of Capital Securities shall be construed in accordance with the usual practices (including in relation to the blocking of the relevant account) of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System.

### Powers of meetings

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

- 2.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Holders against the Issuer, whether or not those rights arise under this Trust Deed or the Capital Securities;
- 2.2 to sanction the exchange or substitution for the Capital Securities of, or the conversion of the Capital Securities into, shares, bonds or other obligations or securities of the Issuer or any other entity, save that, for the avoidance of doubt, nothing in this paragraph shall be interpreted to mean that consent or approval of the Holders is required for any conversion of the Capital Securities pursuant to Condition 6;
- 2.3 to assent to any modification of this Trust Deed or the Capital Securities proposed by the Issuer or the Trustee;
- 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 2.6 to appoint any persons (whether Holders or not) as a committee or committees to represent the Holders' interests and to confer on them any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
- 2.7 to approve a proposed new Trustee and to remove a Trustee;
- 2.8 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under this Trust Deed; and
- 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Capital Securities, provided that the special quorum provisions in paragraph 12 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 2.2 or 2.8 or for the purpose of making a modification to this Trust Deed or the Capital Securities which would have the effect of:
- (i) modifying or amending any date of optional redemption of the Capital Securities or any date for payment of interest on the Capital Securities; or
  - (ii) reducing or cancelling the principal amount of, or interest on, the Capital Securities;
  - (iii) modifying the provisions regarding subordination referred to in Condition 3; or
  - (iv) reducing the rate or rates of interest in respect of the Capital Securities or varying the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the amounts of any interest in respect of the Capital Securities; or
  - (v) varying any method of, or basis for, calculating the amounts payable on redemption of the Capital Securities; or
  - (vi) changing the currency of payment of the Capital Securities; or
  - (vii) modifying the provisions in this Schedule concerning the quorum required at a meeting or the majority required to pass an Extraordinary Resolution; or
  - (viii) amending this proviso.

### Convening a Meeting

- 3 The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Holders holding at least 10 per cent. in principal amount of the Capital Securities for the time being outstanding and is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Holders. Every physical meeting shall be held at a time and place approved by the Trustee. Every virtual meeting shall be held via an electronic platform and at a time approved by the Trustee. Every hybrid meeting shall be held at a time and place and via an electronic platform approved by the Trustee.
- 4 At least 21 days' notice (exclusive of the day on which the notice is given or deemed to be given and of the day of the meeting) shall be given to the Holders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day and time of the meeting and manner in which it is to be held, and if a physical meeting or hybrid meeting is to be held, the place of the meeting (which need not be a physical place and instead may be by way of conference call or other virtual means) and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Holders may appoint proxies or representatives and the details of the time limits applicable. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as are required under paragraph 25.

### Cancellation of meeting

- 5 A meeting that has been validly convened in accordance with paragraph 3 above, may be cancelled by the person who convened such meeting by giving at least seven days' notice (exclusive of the day on which the notice is given and of the day of the meeting) to the Holders (with a copy to the Trustee where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this paragraph 5 shall be deemed not to have been convened.

### Arrangements for voting on Capital Securities (whether in definitive form or represented by a Global Certificate and whether held within or outside a Clearing System) – Appointment of Proxy or Representative

- 6 A proxy or representative may be appointed in the following circumstances:
  - 6.1 *Proxy:* A holder of Capital Securities may, by an instrument in writing in the English language (a “**form of proxy**”) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or the Transfer Agent (or via email) not less than 48 hours before the time fixed for the relevant meeting, appoint a person (a “**proxy**”) to act on their behalf in connection with any meeting of the Holders and any adjourned such meeting.
  - 6.2 *Representative:* Any holder of Capital Securities which is a corporation may, by delivering to the Registrar or Principal Paying Agent not later than 48 hours before the time fixed for any meeting a resolution of its directors or other governing body, authorise any person to act as its representative (a “**representative**”) in connection with any meeting of the Holders and any adjourned such meeting.
  - 6.3 *Other Proxies:* If the holder of a Capital Security is an Alternative Clearing System or a nominee of an Alternative Clearing System and the rules or procedures of such Alternative Clearing System so require, such nominee or Alternative Clearing System may appoint

proxies in accordance with, and in the form used, by such Alternative Clearing System as part of its usual procedures from time to time in relation to meetings of Holders. Any proxy so appointed may, by an instrument in writing in the English language in the form available from the specified office of the Registrar or the Principal Paying Agent (or via email), or in such other form as may have been approved by the Trustee at least seven days before the date fixed for a meeting, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Registrar or the Principal Paying Agent not later than 48 hours before the time fixed for any meeting, appoint any person or the Principal Paying Agent or any employee(s) of it nominated by it (the “**sub-proxy**”) to act on their behalf in connection with any meeting or proposed meeting of Holders. All references to “proxy” or “proxies” in this Schedule other than in this sub-paragraph 6.3 shall be read so as to include references to “sub-proxy” or “sub-proxies”.

- 6.4** *Record Date:* For so long as the Capital Securities are eligible for settlement through an Alternative Clearing System’s book-entry settlement system and the rules or procedures of such Alternative Clearing System so require, the Issuer may fix a record date for the purpose of any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting which shall be specified in the notice convening the meeting.
- 7** Any proxy or sub-proxy appointed pursuant to sub-paragraph 6.1 or 6.3 above or representative appointed pursuant to sub-paragraph 6.2 above shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Holders, to be the holder of the Capital Securities to which such appointment relates and the holder of the Capital Securities shall be deemed for such purposes not to be the holder or owner, respectively.

### **Chairperson**

- 8** The chairperson of a meeting shall be such person as the Trustee may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the Holders or agents present shall choose one of their number to be chairperson, failing which the Issuer may appoint a chairperson.
- 9** The chairman may, but need not, be a Holder or agent. The chairperson of an adjourned meeting need not be the same person as the chairperson of the original meeting.

### **Attendance**

- 10** The following may attend and speak at a meeting:
- 10.1** Holders and agents;
- 10.2** the chairperson; and
- 10.3** the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers.

No-one else may attend, participate and/or speak without the prior written consent of the Trustee.

### **Quorum and Adjournment**

- 11** No business (except choosing a chairperson) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition

of Holders or if the Issuer and the Trustee agree, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place or manner in which it is to be held as the chairperson may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

**12** One or more Holders or agents present at the meeting shall be a quorum:

**12.1** in the cases marked “**No minimum proportion**” in the table below, whatever the proportion of the Capital Securities which they represent; and

**12.2** in any other case, only if they represent the proportion of the principal amount outstanding of the Capital Securities shown by the table below.

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

**13** The chairperson may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place and alternate manner (which need not be a physical place and instead may be by way of a conference call or other virtual means). Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 11.

**14** At least 10 days’ notice (exclusive of the day on which the notice is given or deemed to be given and of the day of the adjourned meeting) of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

**Voting**

**15** At a meeting which is held only as a physical meeting, each question submitted to such meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairperson, the Issuer, the Trustee or one or more persons representing not less than two per cent in principal amount of the Capital Securities for the time being outstanding.

**16** Unless a poll is demanded, a declaration by the chairperson that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

**17** If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairperson directs. The result of the poll shall be

deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

- 18 A poll demanded on the election of a chairperson or on a question of adjournment shall be taken at once.
- 19 On a show of hands, every person who is present in person and who produces a Capital Security or is a proxy or representative has one vote. On a poll, every such person has one vote in respect of each £1.00 in principal amount of Capital Securities so produced or for which they are a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 20 In case of equality of votes, the chairperson shall both on a show of hands and on a poll have a casting vote in addition to any other votes which they may have.
- 21 At a virtual meeting or a hybrid meeting, a resolution put to the vote of the meeting shall be decided on a poll in accordance with paragraph 27, and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

#### **Effect and Publication of an Extraordinary Resolution**

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

#### **Minutes**

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

#### **Written Resolution and Electronic Consent**

- 24 Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Holders.

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

- 24.1 *Electronic Consent:* where the terms of the resolution proposed by the Issuer or the Trustee (as the case may be) have been notified to the Holders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Capital Securities outstanding

(the “**Required Proportion**”) by close of business on the Relevant Date (“**Electronic Consent**”). Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance;

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days’ notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Holders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Holders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the “**Proposer**”) so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Holders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Holders that insufficient consents were received in relation to the original resolution and the information specified in subparagraph (i) above. For the purpose of such further notice, references to “Relevant Date” shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 3 above, unless that meeting is or shall be cancelled or dissolved; and

**24.2** *Written Resolution:* where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to such Global Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or EasyWay or Clearstream, Luxembourg’s CreationOnline or Xact Web Portal) in accordance with its

usual procedures and in which the accountholder of a particular principal or nominal amount of the Capital Securities is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

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

### **Trustee's Power to Prescribe Regulations**

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

### **Additional provisions applicable to Virtual and/or Hybrid Meetings**

- 25** The Issuer (with the Trustee's prior approval) or the Trustee in its sole discretion may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall provide details of the means for Holders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.
- 26** The Issuer or the chairperson (in each case, with the Trustee's prior approval) or the Trustee in its sole discretion may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform (in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Trustee may approve), provided that the Issuer or its agent(s) shall be solely responsible for facilitating the distribution of all such documentation unless the meeting shall have been convened by the Trustee.
- 27** All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraphs 17-20 above (inclusive).
- 28** Persons seeking to attend, participate in, speak at or join a virtual meeting or a hybrid meeting via the electronic platform, shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.
- 29** In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any two or more persons attending it are in the same physical location as each other or how they are able to communicate with each other.
- 30** Two or more persons who are not in the same physical location as each other attend a virtual meeting or a hybrid meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting, they are (or would be) able to exercise them.



- 31** The chairperson of the meeting reserves the right to take such steps as the chairperson shall determine in its absolute discretion to avoid or minimise disruption at the meeting, which steps may include (without limitation), in the case of a virtual meeting or a hybrid meeting, muting the electronic connection to the meeting of the person causing such disruption for such period of time as the chairperson may determine.
- 32** The Issuer (with the Trustee's prior approval) or the Trustee in its sole discretion may make whatever arrangements they consider appropriate to enable those attending a virtual meeting or a hybrid meeting to exercise their rights to speak or vote at it.
- 33** A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.
- 34** A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:
- 34.1** that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 34.2** that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting who are entitled to vote at such meeting.
- 35** The Trustee shall not be responsible or liable to the Issuer or any other person for the security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting.

### **Agents**

- 36** For the purposes of this Schedule 3 only, all references to the Principal Paying Agent and/or the Registrar shall include such other agent appointed by the Issuer for such purposes.

**Schedule 4**  
**Form of Issuer's Certificate to the Trustee**

[On the letterhead of the Issuer]

**Citicorp Trustee Company Limited**

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

**[DATE]**

**TSB Banking Group plc (the "Issuer")**

**£250,000,000 8.750 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Non-Cumulative Contingent Convertible Securities (the "Capital Securities")**

We, being Authorised Signatories of the Issuer, refer to the Trust Deed dated 5 December 2024 (the "**Trust Deed**") between the Issuer and yourselves relating to the issue of the Capital Securities.

Terms used but not defined herein have the meaning given to them in the Trust Deed.

As required by Clause 8.5 (*Certificate of Authorised Signatories*) of the Trust Deed, we certify that, having made all reasonable enquiries, to the best of our knowledge, information and belief, as at [date falling not more than five days prior to the date of this certificate] (the "**Certification Date**"):

- (a) no Winding-Up or any non-payment of sums when due in respect of the Capital Securities (as provided in Condition 9) has occurred since the date [of the Trust Deed][the last such certificate was provided, being [●]], save for [include any relevant details if such event has occurred]; and
- (b) between the date of the [Trust Deed][the last such certificate] and the Certification Date, the Issuer has complied in all material respects with its obligations contained in the Trust Deed[, save for [include any relevant details if such is not the case]].

Yours faithfully

**TSB BANKING GROUP PLC**

By:

(Authorised Signatory)

By:

(Authorised Signatory)

**This Trust Deed** is delivered on the date stated at the beginning.

**EXECUTED** as a deed by  
**TSB BANKING GROUP PLC**  
acting by its attorney

By:

Name:

Position:

In the presence of

Witnessed by:

Name:

Address:

**EXECUTED** as a deed by  
**CITICORP TRUSTEE COMPANY LIMITED**

By:

Witnessed by:

Name:

Name:

Position:

Position: