

TERMS AND CONDITIONS OF THE SECURITIES

The issue of the £350,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (the “**Securities**”, which expression shall in these Conditions, unless the context otherwise requires, include any Further Securities issued pursuant to Condition 15) of Investec Bank plc (the “**Issuer**”) was authorised by resolutions of the Board of Directors of the Issuer.

The Issuer shall initially act as its own fiscal agent, principal paying agent, registrar, transfer agent and agent bank with respect to the Securities (in such capacity, the “**Fiscal Agent**”, “**Principal Paying Agent**” (and together with any other paying agents appointed from time to time, the “**Paying Agents**”), “**Registrar**”, “**Transfer Agent**” and “**Agent Bank**”, which expressions shall include any successors or additional such agents that the Issuer may appoint at any time under a fiscal agency agreement (the “**Fiscal Agency Agreement**”) and references to the Fiscal Agency Agreement herein shall be construed accordingly). Copies of any Fiscal Agency Agreement (i) will be available for inspection or collection during usual business hours by a Holder at the specified office of the Fiscal Agent (presently at 30 Gresham Street London EC2V 7QP), and at the specified offices of the Registrar, Transfer Agent and Paying Agents or (ii) may be provided by email to a Holder in each case following prior written request to the Principal Paying Agent therefor and provision of proof of holding and identity (in form satisfactory to the Principal Paying Agent). The Holders are deemed to have notice of all the provisions of any Fiscal Agency Agreement which are applicable to them.

1 Form, Denomination and Title

(a) *Form and Denomination*

The Securities are in definitive registered form in the denominations of £200,000 and integral multiples thereof and represented by registered certificates (the “**Certificates**”). In the event that the Securities are to be held on behalf of Euroclear Bank SA/NV, Clearstream Banking, S.A. and/or an alternative clearing system, they will be represented by one or more global certificates in the form, and in the denominations, to be agreed between the Issuer, the Registrar and the Fiscal Agent.

(b) *Title*

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

2 Transfers of Securities

(a) *Transfer*

A holding of 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 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 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 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 Securities and entries in the Register will be made in accordance with the detailed regulations concerning transfers of Securities scheduled thereto. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and each Transfer Agent. A copy of the current regulations will be made available for inspection or collection during usual business hours by the Registrar or any Transfer Agent to any Holder upon request.

(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 any 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 Issuer, the Registrar or the relevant Transfer Agent may require).

(d) *Closed Periods*

No Holder may require the transfer of a Security to be registered (i) during the period of 15 days prior to (and including) any date on which Securities may be called for redemption by the Issuer at its option pursuant to Condition 7(c), (ii) after the Securities have been called for redemption or substitution pursuant to Condition 7, or (iii) during the period of seven days ending on (and including) any Record Date.

3 Status and Subordination

(a) *Status*

The Securities constitute direct, 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 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 Securities are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6, conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount shall be due and payable in respect of, or arising from, the Securities except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the “**Solvency Condition**”).

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

A certificate as to whether the Issuer satisfies the Solvency Condition by two Authorised Signatories (or if there is a winding-up or administration of the Issuer, two authorised signatories of the liquidator or, as the case may be, the administrator of the Issuer) shall (in the absence of manifest error) be treated and accepted by the Issuer, the Holders and all other interested parties as correct and sufficient evidence thereof.

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 mandatorily cancelled.

(c) ***Winding-Up***

The rights and claims of the Holders against the Issuer in respect of, or arising under, their Securities (including any amounts attributable to the Securities and any damages awarded for breach of any obligations) are subordinated to the claims of Senior Creditors in that if at any time prior to the Write Down Date a Winding-Up occurs, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such 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 Security and any accrued but unpaid interest thereon (other than any interest which has been cancelled pursuant to these Conditions) together with any damages awarded for breach of any obligations in respect of such 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 or liquidation).

(d) ***Set-off***

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities and each Holder shall, by virtue of its holding of any 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, compensation, counterclaim, netting 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 Securities is discharged by set-off, 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.

4 Interest Payments

(a) ***Interest Rate***

Subject to Conditions 3(b), 5 and 6, the 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 Securities semi-annually in arrear on each Interest Payment Date in equal instalments (in respect of each Interest Period ending prior to the First Reset Date, of £10,500 per £200,000 in principal amount of the Securities), in each case as provided in this Condition 4.

Where it is necessary to compute an amount of interest in respect of any Security for any period, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of two times the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

(b) Interest Accrual

Subject to Conditions 3(b), 5 and 6, the Securities will accrue interest in respect of each Interest Period and 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 Security, payment of all amounts due in respect of such Security is not properly and duly made, in which event interest shall continue to accrue on the principal amount of such 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 Security shall be calculated per £200,000 in principal amount of the Securities and the amount of interest per £200,000 in principal amount of the Securities 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 such 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). Where the denomination of a Security is more than the £200,000 in principal amount of the Securities, the amount of interest payable in respect of each such Security shall instead be calculated by reference to the aggregate principal amount of each such Security.

(c) Initial Fixed Interest Rate

For the Initial Fixed Rate Interest Period, the Securities bear interest, subject to Conditions 3(b), 5 and 6, at the rate of 10.500 per cent. per annum (the “**Initial Fixed Interest Rate**”).

(d) Reset Rate of Interest

The Interest Rate will be reset (the “**Reset Rate of Interest**”) in accordance with this Condition 4 on each Reset Date. The Reset Rate of Interest in respect of each Reset Period will be determined by the Agent Bank on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the Margin.

(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, subject to receipt from the Issuer of the bid and offered yield of the Benchmark Gilt as provided by the Reset Reference Banks and/or as determined by or on behalf of the Issuer, 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 Agent Bank 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 Fiscal Agent, the Principal Paying Agent, any stock exchange on which the Securities are for the time being listed or admitted to trading and, in accordance with Condition 14, 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 Securities become due and payable pursuant to Condition 9(a), the accrued interest per £200,000 in principal amount of the Securities and the Reset Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 4.

(g) *Agent Bank*

The Issuer will maintain an Agent Bank which may be itself or one of its subsidiaries. The Issuer may from time to time replace the Agent Bank. 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 entity 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 the Agent Bank, shall (in the absence of manifest error) be binding on the Issuer, the Agent Bank, the Registrar, each Transfer Agent, the Holders and all other interested parties and no liability to the Holders or (in the absence of wilful default or negligence) 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.

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) 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*

To the extent required under then prevailing Regulatory Capital Requirements, 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 or which are required to be paid or made during the then current Financial Year on the Securities and on all other own funds instruments of the Issuer (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*

To the extent required under then prevailing Regulatory Capital Requirements, 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 rule 4.3(2) of Chapter 4 (*Capital Conservation Measures*) of the Capital Buffers chapter of the PRA Rulebook, as amended or replaced or referred to in any other 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 or the Group to be exceeded.

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

Interest otherwise due on any 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 Competent 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 (and, in the case of a cancellation pursuant to Condition 5(a), by no later than three business days prior to the scheduled payment date), give notice of such non-payment and the reason therefor to the Fiscal Agent, the Principal Paying Agent and, in accordance with Condition 14, the Holders, provided that any 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 Securities for any purpose. Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest payment that will be paid on the relevant date.

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

Any interest payment (or, as the case may be, part thereof) not paid on any 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 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 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, will not constitute a default by the Issuer for any purpose (whether under the Securities or otherwise) and the Holders shall have no right thereto whether in a Winding-Up or otherwise.

6 Automatic Write Down

If, at any time, it is determined (as provided below) that a Trigger Event has occurred:

- (i) the Issuer shall (unless the determination was made by the Competent Authority) immediately inform the Competent Authority of the occurrence of the Trigger Event;
- (ii) the Issuer shall, without delay, give the Trigger Event Notice which notice shall be irrevocable;
- (iii) any interest which is accrued and unpaid shall be automatically and irrevocably cancelled; and
- (iv) the full principal amount of each Security shall be automatically and irrevocably reduced to zero and the Securities shall be cancelled,

such reduction and cancellation being referred to in these Conditions as the “**Automatic Write Down**”.

On the Business Day following the determination that a Trigger Event has occurred (the “**Write Down Date**”), an Automatic Write Down shall occur.

Effective upon, and following, the Automatic Write Down, Holders shall not have any rights against the Issuer with respect to:

- (i) repayment of the principal amount of the Securities or any part thereof;
- (ii) the payment of any interest for any period; or
- (iii) any other amounts arising under or in connection with the Securities.

Such Automatic Write Down shall take place without the need for the consent of Holders.

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 Competent 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, the Competent Authority or any agent appointed for such purpose by the Competent Authority. Any such determination shall be binding on the Issuer and the Holders.

Any failure by the Issuer to give a Trigger Event Notice or the aforementioned certificate will not affect the effectiveness of, or otherwise invalidate, any Automatic Write Down, or give Holders or any other person any rights as a result of such failure.

The reduction to zero of the principal amount of the Securities pursuant to this Condition 6 shall not constitute a default by the Issuer for any purpose.

7 Redemption, Substitution, Variation and Purchase

(a) *No Fixed Redemption Date*

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall, without prejudice to any Automatic Write Down in accordance with Condition 6, 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 Securities in accordance with Condition 7(c), (d), (e), (f), (g) or (h) is subject, as applicable, to:

- (i) the Issuer having obtained prior Supervisory Permission therefor and complying with any prevailing Regulatory Capital Requirements relating to the event then required;
- (ii) in the case of any redemption or purchase of the Securities other than prior to the fifth anniversary of the Reference Date, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer having replaced (or, on or before the relevant redemption or purchase date, replacing) the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum applicable requirements (including any applicable capital buffer requirements) by a margin that the Competent Authority considers necessary at such time;

- (iii) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Competent 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 Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Securities was not reasonably foreseeable as at the Reference Date; and
- (v) in the case of any redemption or purchase of the Securities prior to the fifth anniversary of the Reference Date pursuant to Conditions 7(f) or 7(h), either (A) the Issuer having replaced (or, on or before the relevant purchase date, replacing) the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent 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 any purchase pursuant to Condition 7(h), the relevant Securities are being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

Any refusal by the Competent Authority to give its Supervisory Permission as contemplated above 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 Securities, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Securities and:

- (i) (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
- (ii) prior to the redemption, purchase, substitution or variation of the 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 14, the Fiscal Agent, 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 giving of a Trigger Event Notice.

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 Fiscal Agent (i) a certificate signed by two Authorised Signatories 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 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 (i) to (vi) (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 such certificate and opinion shall be conclusive and binding on the Holders and all other interested parties.

(c) *Issuer's Call Option*

Subject to Condition 7(b), the Issuer may, by giving not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 14 and the Agents (which notice shall, save as provided in Condition 7(b), be irrevocable and shall specify the date fixed for redemption), elect to redeem all, but not some only, of the Securities on any day falling in the period from (and including) 28 August 2029 to (and including) the First Reset Date or any day falling in the period of six months prior to (and including) any Reset Date thereafter 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 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 15 nor more than 30 days' notice to the Holders in accordance with Condition 14 and the Agents (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 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 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 15 nor more than 30 days' notice to the Holders in accordance with Condition 14 and the Agents (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 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 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 Securities originally issued (and, for these purposes, any Further Securities issued pursuant to Condition 15 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) and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 14 and the Agents (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 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 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 15 nor more than 30 days' notice to the Holders in accordance with

Condition 14 and the Agents (which notice shall be irrevocable and shall specify the date fixed for substitution or, as the case may be, variation of the 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 Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become, Compliant Securities. Upon the expiry of such notice, the Issuer shall, subject to Condition 7(b), either vary the terms of or substitute the Securities in accordance with this Condition 7(g), as the case may be.

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 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, Securities in any manner and at any price. The 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.

(i) Cancellation

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

8 Payments

(a) Method of Payment

- (i) Payments of principal shall be made in pounds sterling (subject to surrender of the relevant Certificate at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificate) in like manner as is provided for payments of interest in paragraph (ii) below.
- (ii) Interest on each 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 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

Without prejudice to Condition 10, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) ***Payment Initiation***

Payment instructions (for value the due date, or if that date is not a business day, for value the first following day which is a business day) will be initiated on a day on which the Principal Paying Agent is open for business and no later than the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business following the date on which the relevant Certificate is surrendered.

(d) ***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 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).

(e) ***Non-Business Days***

If any date for payment in respect of any 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 Principal Paying Agent 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 Securities for a period of seven days or more after the date on which such payment is (without prejudice to Conditions 3(b), 5 and 6) due, the Issuer shall be deemed to be in default (a “**Default**”) under the Securities and each Holder may notwithstanding the provisions of Condition 9(b), institute proceedings for the winding-up of the Issuer in England (but not elsewhere).

For the avoidance of doubt, no amounts shall be due in respect of the Securities if payment of the same shall have been cancelled in accordance with Condition 3(b), Condition 5, Condition 6 and/or Condition 7(b), and accordingly non-payment of such amounts shall not constitute a Default.

In the event of a Winding-Up (whether or not instituted by a Holder pursuant to the foregoing), each Holder may prove and/or claim in such Winding-Up in respect of the Securities held by it, such claim being as contemplated in Condition 3(c).

(b) ***Enforcement***

Without prejudice to Condition 9(a), each Holder may, at its discretion and without further 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 under the Securities held by the Holder (other than any payment obligation of the Issuer under or arising from such Securities, including, without limitation, payment of any principal or interest in respect of the 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. Nothing in this Condition 9(b) shall, however, prevent a Holder from 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 Securities held by the Holder (including any damages awarded for breach of any obligations) in the circumstances provided in, as appropriate, Conditions 3(c) and 9(a).

(c) ***Extent of Holders' Remedy***

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities.

10 Taxation

All payments of principal, interest and any other amount by or on behalf of the Issuer in respect of the Securities shall (subject always to Conditions 3(b), 5, 6 and 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 or any political subdivision thereof or by any authority therein or thereof having power to tax, 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 ("**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, except that no such Additional Amounts shall be payable in respect of any Security:

- (a) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the Relevant Jurisdiction other than a mere holding of such 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 Security is presented for payment; or
- (c) in respect of which the Certificate representing it is presented 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 5) 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.

Notwithstanding any other provisions of these Conditions, any amounts to be paid on the 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 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 schedules hereto contain provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Holders holding not less than 10 per cent. in principal amount of the 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 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 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 Securities and reducing or cancelling the principal amount of, or interest on, any Securities, or the Interest Rate or varying the method of calculating the Interest Rate or the CET1 Ratio below which a Trigger Event occurs) 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 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, reduction in the principal amount of the Securities to zero in accordance with Condition 6 or any variation of these Conditions or any substitution of the Securities required to be made in the circumstances described in Condition 7(g).

An Extraordinary Resolution passed at any meeting of Holders or in writing 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.

A resolution in writing signed by or on behalf of the Holders of not less than 75 per cent. in principal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) *Modification of these Conditions*

The Issuer may, without the consent of Holders, make any modification of these Conditions which in its opinion is of a formal, minor or technical nature or is made to correct a manifest error.

The Issuer shall only permit any modification, waiver or authorisation of any breach or proposed breach of any of these Conditions or any failure to comply with the Fiscal Agency Agreement if to do so could not reasonably be expected to be materially prejudicial to the interests of the Holders.

Any such modification shall be binding on the Holders and such modification shall be notified by the Issuer to the Holders as soon as practicable. No modification to these Conditions shall become effective unless the Issuer shall have received any requisite Supervisory Permission therefor from the Competent Authority.

(c) *Substitution*

Subject to the Issuer giving at least 30 days' prior written notice thereof to, and having obtained any requisite Supervisory Permission therefor from the Competent Authority, and subject to the Issuer being satisfied that the interests of the Holders will not be materially prejudiced thereby and to such amendments to the Fiscal Agency Agreement as may be required but without the consent of the Holders,

the Issuer may substitute on a subordinated basis equivalent to that referred to in Condition 3 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 Securities.

(d) Notices

Any such modification, waiver, authorisation or substitution shall be binding on all Holders and any such modification or substitution shall be notified by the Issuer to the Holders in accordance with Condition 14 as soon as practicable thereafter.

13 Replacement of the 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 Notices

Notices to the Holders 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 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 Securities are for the time being listed and/or admitted to trading.

15 Further Issues

The Issuer may from time to time without the consent of the Holders, but subject to any Supervisory Permission required, create and issue further securities having the same terms and conditions as the 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 Securities (“**Further Securities**”). References in these Conditions to the Securities include (unless the context requires otherwise) any Further Securities issued pursuant to this Condition 15.

16 Agents

The Fiscal Agent, the Principal Paying Agent, the Registrar, the Agent Bank and each Transfer Agent act and will act solely as agents of the Issuer and do not assume any fiduciary duties or any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Principal Paying Agent, the Registrar, the Agent Bank and each Transfer Agent and to appoint replacement agents as additional or other Transfer Agents, provided that it will:

- (a) at all times maintain a Fiscal Agent, 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 to the Holders in accordance with Condition 14. If any of the Agent Bank, Registrar, the Fiscal Agent 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 Fiscal Agency Agreement (as the case may be), the Issuer shall appoint a financial institution to act as such in its place. All calculations and determinations made by the Agent Bank, Registrar, the Fiscal Agent or the Principal Paying Agent in relation

to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Agent Bank, the Registrar, the Fiscal Agent, the Principal Paying Agent and the Holders.

17 Governing Law and Jurisdiction

(a) Governing Law

The 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

Subject as provided below, the courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Securities and accordingly any legal action or proceedings arising out of or in connection with any 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 hereby irrevocably submits to the exclusive jurisdiction of the courts of England in respect of any such Proceedings.

Nothing in this Condition 17 prevents any Holder from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, Holders may take concurrent Proceedings in any number of jurisdictions.

(c) Agreement with Respect to the Exercise of the UK Bail-in Power

Notwithstanding and to the exclusion of any other term of the Securities or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 17(c), includes each holder of a beneficial interest in the Securities), by its acquisition of any Securities (or any interest therein), each Holder acknowledges and accepts that the Amounts Due arising under any Securities may be subject to the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (i) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due;
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Securities;
 - (C) the cancellation of any Securities or the Amounts Due in respect of the Securities; and
 - (D) the amendment or alteration of the perpetual nature of the Securities or amendment of the amount of interest payable on the Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of the Securities, as deemed necessary by the Relevant UK Resolution Authority, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

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

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Powers by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Powers by the Relevant UK Resolution Authority with respect to the Securities, will constitute a default for any purpose.

Upon the exercise of the UK Bail-in Powers by the Relevant UK Resolution Authority with respect to the Securities, the Issuer shall notify the Agents as soon as practicable regarding such exercise and will provide a written notice to the Holders in accordance with Condition 15 as soon as practicable regarding such exercise of the UK Bail-in Powers. The Issuer will also deliver a copy of such notice to the Trustee for information purposes. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 18 shall neither affect the validity and enforceability of the UK Bail-in Powers nor constitute a default by the Issuer for any purpose.

In this Condition 17:

“**Amounts Due**” means the principal amount of, and any accrued but unpaid interest (including any Additional Amounts payable pursuant to Condition 10, but excluding interest that has been cancelled in accordance with these Conditions) on, the Securities. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority;

“**Bail-In Legislation**” means any law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including, without limitation, Part I of the Banking Act 2009, as amended;

“**Relevant UK Resolution Authority**” means any authority with the ability to exercise a UK Bail-in Power; and

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

18 Contracts (Rights of Third Parties) Act 1999

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

19 Definitions

In these Conditions:

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

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

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

“**Agents**” means the Registrar, the Transfer Agent(s), the Agent Bank and the Principal Paying Agent or any of them and includes any successor appointed from time to time;

“**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 who is represented by the Issuer as being for the time being authorised to sign (whether alone or with another person or other persons) on behalf of the Issuer and so as to bind it;

“**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;

A “**Capital Disqualification Event**” is deemed to have occurred if there is a change (which has occurred or which the Competent Authority considers to be sufficiently certain) in the regulatory classification of the 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 Securities being excluded from the Additional Tier 1 Capital of the Issuer or the Group (other than by reason of any applicable limit on the amount of Additional Tier 1 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 less any deductions therefrom required to be made at such time, as calculated on an individual consolidated basis (as referred to in Article 9 of the UK CRD Regulation) or, as the context requires, the Common Equity Tier 1 Capital at such time of the Group less any deductions therefrom required to be made at such time, as calculated on a consolidated basis, in each case in accordance with the Regulatory Capital Requirements but without applying any transitional provisions set out in the Regulatory Capital Requirements which are applicable at such time (unless such transitional provisions are permitted by the Competent Authority to be applied for the purposes of determining whether a Trigger Event has occurred);

“**CET1 Ratio**” means, at any time, as applicable either:

- (a) the ratio of the aggregate amount of the CET1 Capital of the Issuer at such time to the Risk Weighted Assets of the Issuer at such time, in each case calculated on an individual consolidated basis (as referred to in Article 9 of the UK CRD Regulation) (the “**CET1 Ratio of the Issuer**”); or
- (b) the ratio of the aggregate amount of the CET1 Capital of the Group at such time to the Risk Weighted Assets of the Group at such time, in each case calculated on a consolidated basis and expressed as a percentage (the “**CET1 Ratio of the 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;

“**Competent Authority**” means the Prudential Regulation Authority or such other or successor authority having primary supervisory authority with respect to prudential matters concerning the Issuer and/or the Group;

“**Compliant Securities**” means securities issued directly or indirectly by the Issuer that have terms which are not materially less favourable to an investor than the terms of the Securities (as reasonably determined by the Issuer, and provided that a certification to such effect of two Authorised Signatories shall have been delivered to the Fiscal Agent prior to the issue or, as appropriate, variation of the relevant securities), and, subject to the foregoing, which (1) contain terms which comply with the then current requirements of the Competent Authority in relation to Additional Tier 1 Capital; (2) provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Securities; (3) rank *pari passu* with the ranking of the Securities; (4) 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); (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Securities, including

(without limitation) as to timing of, and amounts payable upon, such redemption; (6) have the same principal amount as the Securities; and (7) qualify as “hybrid capital instruments” as defined in section 475C of the Corporation Tax Act 2009 (or in any equivalent provision in any applicable successor legislation

“**Conditions**” means these terms and conditions;

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

“**Distributable Items**” has the meaning given to it in the Regulatory Capital Requirements at the relevant time, but, to the extent applicable and permitted by the Competent Authority, amended so that any reference therein to “before distributions to holders of own funds instruments” shall be read as a reference to “before distributions by the Issuer to holders of own funds instruments (other than Tier 2 Capital instruments)”;

“**Extraordinary Resolution**” has the meaning given to it in the schedule hereto;

“**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 April in one calendar year to (but excluding) the same date in the immediately following calendar year;

“**First Reset Date**” means 28 February 2030;

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

“**Group**” means the Group Holding Company 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;

“**Group Holding Company**” means Investec plc or such other entity as is the parent financial holding company or mixed parent financial holding company 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;

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

“**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;

“**Interest Payment Date**” means 28 February and 28 August in each year, starting on (and including) 28 August 2024;

“**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;

“**Issue Date**” means 28 February 2024, being the date of the initial issue of the Securities;

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

“**Liabilities**” means the unconsolidated gross liabilities of the Issuer, as shown in 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;

“**London Stock Exchange**” means the London Stock Exchange plc;

“**Margin**” means 6.566 per cent.;

“**Maximum Distributable Amount**” means any applicable maximum distributable amount relating to the Issuer or the Group required to be calculated in accordance with Chapter 4 (*Capital Conservation Measures*) of the Capital Buffers chapter of the PRA Rulebook, as amended or replaced or in accordance with any other applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated if the Issuer or the Group is failing to meet any applicable requirement or any buffers relating to such requirement;

“**own funds instruments**” has the meaning given to it in the UK CRD Regulation;

“**pounds sterling**” 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;

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

“**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 Securities have been issued pursuant to Condition 15;

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

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

“**Regulatory Capital Requirements**” means, at any time, any requirement contained in the laws, regulations, requirements, guidelines and policies of the Competent 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, and applicable to the Issuer and/or, as applicable, the Group;

“**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 Security being made in accordance with these 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 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 payments of principal and/or interest on the Securities become generally subject to tax;

“**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 second Business Day prior to 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 gilt dealers in the principal interbank market relating to pounds sterling selected by the Agent Bank in its discretion after consultation with the Issuer;

“**Reset Reference Rate**” means in respect of a Reset Period, the percentage rate (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined by the Agent Bank on the basis of the Gilt Yield Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks and to the Issuer at 11.00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period. The Issuer shall provide any such Gilt Yield Quotations so obtained to the Agent Bank. If at least four quotations are provided, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be determined by reference to the rounded quotation provided. If no quotations are provided, the Reset Reference Rate will be (i) in the case of each 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, an amount equal to 3.934 per cent., where:

“**Benchmark Gilt**” means, in respect of a Reset Period, such United Kingdom government security customarily used in the pricing of new issues denominated in pounds sterling and with a tenor of 5 years and having a maturity date on or about the last day of such Reset Period, as selected by the Issuer on the advice of an investment bank of international repute; and

“**Gilt Yield Quotations**” means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) as determined by the Agent Bank of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank;

“**Risk Weighted Assets**” means, at any time, the aggregate amount, expressed in pounds sterling, of the total risk exposure amount of the Issuer, as calculated on an individual consolidated basis (as referred to in Article 9 of the UK CRD Regulation) or, as the context requires, of the Group, as calculated on a consolidated basis, in each case 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 by the Competent Authority to be applied for the purposes of determining whether a Trigger Event has occurred);

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

“**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 Securities (and, for the avoidance of doubt, Senior Creditors shall include holders of Tier 2 Capital instruments);

“**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 (if any) under prevailing Regulatory Capital Requirements;

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

- (i) in making any payments on the Securities, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or
- (ii) the Issuer is no longer entitled or will no longer be entitled to claim a deduction in respect of any payments in respect of the Securities in computing its taxation liabilities or the amount of such deduction is reduced; or
- (iii) the Securities are prevented or will be prevented from being treated as loan relationships for United Kingdom tax purposes; or
- (iv) the Issuer would not, as a result of the Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which 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 Securities or any similar system or systems having like effect as may from time to time exist); or
- (v) the Securities or any part thereof are treated as a derivative or an embedded derivative for United Kingdom tax purposes; or
- (vi) the Issuer will or would, in the future, have to bring into account a taxable credit, taxable profit or the receipt of taxable income if the principal amount of the Securities were written down,

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 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, which change or amendment (x) (subject to (y)) becomes, or would become, effective on or after the Reference Date, or (y) in the case of a change in law, 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 Competent Authority;

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

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

“Trigger Event Notice” means the notice referred to as such in Condition 6 which shall be given by the Issuer to the Holders, in accordance with Condition 14, the Registrar, the Fiscal Agent, the Principal Paying Agent and the Competent Authority, and which shall state with reasonable detail the nature of the relevant Trigger Event, the basis of its calculation and the relevant Write Down Date (which may be a date prior to or following the date of the Trigger Event Notice);

“UK CRD Regulation” means the Regulation (EU No. 575/2013) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time and as it forms part of domestic law;

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

“Winding-Up” means:

- (i) 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 an Extraordinary Resolution and do not provide that the Securities thereby become redeemable or repayable in accordance with these Conditions);

- (ii) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or
- (iii) liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (i) or (ii) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009; and

“Write Down Date” has the meaning given to it in Condition 6.

Further, references in these Conditions to “on an individual consolidated basis (as referred to in Article 9 of the CRDIV Regulation)” shall be construed as references to (i) “on a non-consolidated basis” in circumstances where the Issuer is regulated on a non-consolidated basis and not on an individual consolidated basis from time to time and (ii) “on a sub-consolidated basis” in circumstances where the issuer is regulated on a sub-consolidated basis and not an individual consolidated basis from time to time.

Schedule Provisions for Meetings of Holders

Interpretation

- 1 In this schedule:
 - 1.1 references to a meeting are to a meeting of all Holders and include, unless the context otherwise requires, any adjournment;
 - 1.2 “**agent**” means a proxy for, or representative of, a Holder; and
 - 1.3 references to persons representing a proportion of the Securities are to Holders or agents holding or representing in the aggregate at least that proportion in principal amount of the Securities for the time being outstanding.

Appointment of Proxy or Representative

- 2 A proxy or representative may be appointed in the following circumstances:
 - 2.1 A Holder of 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 not less than 48 hours before the time fixed for the relevant meeting, appoint the person (a “**proxy**”) to act on his or its behalf in connection with any meeting of the Holders and any adjourned such meeting.
 - 2.2 Any Holder of Securities which is a corporation may, by delivering to any Agent, not later than 48 hours before the time fixed for any meeting, a resolution of its directors or other governing body, authorise any person to act as its representative (a “**representative**”) in connection with any meeting of the Holders and any adjourned such meeting.
 - 2.3 Any proxy appointed pursuant to sub-paragraph 2.1 above or representative appointed pursuant to sub-paragraph 2.2 above shall so long as such appointment remains in full force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Holders, to be the Holder of the Securities to which such appointment relates and the Holder of the Securities shall be deemed for such purposes not to be the Holder or owner, respectively.

Powers of meetings

- 3 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by this schedule, have power by Extraordinary Resolution:
 - 3.1 to sanction any proposal by the Issuer or 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 the Securities;
 - 3.2 to sanction the substitution for the Securities of other securities of the Issuer or any other person;
 - 3.3 to assent to any modification of the Conditions including, *inter alia*, the terms regarding:
 - 3.3.1 subordination referred to in Condition 3;
 - 3.3.2 currency and due dates for payment of principal or interest in respect of the Securities;
 - 3.3.3 any interest payments in respect of the Securities;
 - 3.3.4 reducing or cancelling the principal amount of any Securities or the Interest Rate (as defined therein); and

- 3.3.5 the method of calculating each Interest Rate;
- 3.4 to waive or authorise any breach or proposed breach by the Issuer of its obligations under the Conditions;
- 3.5 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 3.6 to give any authority, direction or sanction required to be given by Extraordinary Resolution; and
- 3.7 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,

provided that the special quorum provisions in paragraph 10 shall apply to any Extraordinary Resolution (a “**special quorum resolution**”) for the purpose of sub-paragraphs 3.2 or 3.3 or any of the proposals listed in Condition 12 or any amendment to this proviso.

“**Extraordinary Resolution**” means a resolution passed (a) at a meeting duly convened and held in accordance with this Schedule by a majority of at least 75 per cent. of the votes cast or (b) by a Written Resolution.

“**Written Resolution**” means a resolution in writing signed by the Holders of not less than 75 per cent. in nominal amount of the Bonds outstanding.

Convening a meeting

- 4 The Issuer 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 Securities for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Issuer shall convene a meeting of the Holders. Every meeting shall be held at a time and place approved by the Fiscal Agent.
- 5 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the 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, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Holders may appoint proxies or representatives.

Chairman

- 6 The chairman of a meeting shall be such person as the Issuer 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 chairman, failing which the Issuer may appoint a chairman.
- 7 The chairman may but need not be a Holder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

- 8 The following may attend and speak at a meeting:
 - 8.1 Holders and agents;
 - 8.2 the chairman; and
 - 8.3 the Issuer and the Fiscal Agent (through their respective representatives) and their respective financial and legal advisers.

No-one else may attend or speak.

Quorum and Adjournment

9 No business (except choosing a chairman) 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, 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 as the chairman 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.

10 One or more Holders or agents present in person shall be a quorum:

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

10.2 in any other case, only if they represent at least the proportion of the Securities shown by the table below.

COLUMN 1	COLUMN 2	COLUMN 3
Purpose of meeting	Any meeting except one referred to in column 3 Required proportion	Meeting previously adjourned through want of a quorum 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

11 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. 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 9.

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

Voting

13 Each question submitted to a 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 chairman, the Issuer or one or more persons representing two per cent. of the Securities.

14 Unless a poll is demanded, a declaration by the chairman 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.

15 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 chairman 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.

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

17 On a show of hands every person who is present in person and who produces a Certificate or is a proxy or a representative has one vote. On a poll every such person has one vote for £200,000 in principal amount of

Certificates so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

- 18 In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect and Publication of an Extraordinary Resolution

- 19 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

- 20 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman 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

- 21 A written resolution signed by the Holders of 75 per cent. in principal amount of the Securities outstanding shall take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.