

BASE PROSPECTUS



INVESTEC plc

(incorporated with limited liability in England and Wales with registered number 03633621)

£1,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Investec plc (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed £1,000,000,000 (or the equivalent in other currencies at the date of issue).

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. This Base Prospectus is valid for a period of twelve months from the date of approval.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these, see "*Risk Factors*" below.

The Issuer has been assigned a long-term credit rating of Baa1 by Moody's Investors Service Limited ("**Moody's**"). Moody's is a credit rating agency established in the European Economic Area Union ("**EEA**") or in the United Kingdom (the "**UK**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Moody's appears on the latest update of the list of registered credit rating agencies (as of 14 November 2019) on the ESMA website <http://www.esma.europa.eu>.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Notes in bearer form for U.S. tax purposes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes that are in bearer form for U.S. tax purposes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"). However, the Notes are being offered and sold outside the United States to non U.S. persons in reliance on Regulation S.

Arranger and Dealer

Investec Bank plc

31 March 2020

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation.

Responsibility for information in the Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and this Base Prospectus contains no omission likely to affect its import.

None of the Dealer, the Agents or the Trustee has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. None of the Dealer, the Agents or the Trustee accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Dealer, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Dealer, the Agents or the Trustee.

Risk warnings relating to the Base Prospectus

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or the Dealer, the Agents or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each person (an "investor") contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Dealer, the Agents or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Prospective investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealer, the Agents and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealer, the Agents or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in a jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and

observe, any restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Guernsey and South Africa (see "*Subscription and Sale*").

Benchmark Regulation

Amounts payable under the Notes may be calculated by reference to one or more benchmarks. The Final Terms for each Series of Notes will indicate whether or not any benchmarks are used, and if so, whether the relevant administrator for the benchmark appears or does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR") (the "Register").

In relation to any benchmark identified in the Final Terms as being provided by an administrator that does not appear on the register, the Final Terms will further specify whether, as far as the Issuer is aware, such administrator does or does not fall within the scope of the BMR by virtue of Article 2 of that regulation or whether the transitional provisions in Article 51 of the BMR apply, such that the relevant administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

As at the date of this Base Prospectus, the position in relation to each of the benchmarks referenced in this Base Prospectus is as follows:

Benchmark	Administrator	Does the Administrator appear on the Register?
LIBOR	ICE Benchmark Administration Limited	Appears
EURIBOR	European Money Markets Institute	Does not appear As far as the Issuer is aware, such administrator does not fall within the scope of the BMR by virtue of Article 2 of that regulation.
SONIA	Bank of England	Does not appear As far as the Issuer is aware, such administrator does not fall within the scope of the BMR by virtue of Article 2 of that regulation.
SOFR	Federal Reserve Bank of New York	Does not appear As far as the Issuer is aware, such administrator does not fall within the scope of the BMR by virtue of Article 2 of that regulation.

MiFID II product governance / target market

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either

adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Neither the Arranger nor any Dealers will regard any actual or prospective holders of Notes (whether or not a recipient of this Base Prospectus and/or the relevant Final Terms) as their client in relation to the offering described in this Base Prospectus and/or the relevant Final Terms and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing the services in relation to the offering described in this Base Prospectus and/or the relevant Final Terms or any transaction or arrangement referred to herein or therein.

PRIIPs

IMPORTANT – EEA AND UK RETAIL INVESTORS - If the relevant Final Terms for a Tranche of Notes issued under this Programme includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Interpretation

All references herein to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references herein to "euro" and "€" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time by the Treaty on European Union and all references herein to "U.S.\$" and "U.S. dollars" are to United States dollars.

Other than as expressly defined in any other section of this Base Prospectus, terms defined in the Conditions, and the *"Summary of Provisions Relating to the Notes while in Global Form"* have the same meanings in all other sections of this Base Prospectus.

This Base Prospectus may only be used for the purposes for which it has been published.

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RISK FACTORS

Prospective investors in the Notes should read the entire Base Prospectus, including all documents incorporated by reference herein, and the Final Terms.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including the documents incorporated by reference) and reach their own views prior to making any investment decision.

*In this section, all references to "**Investec**" are to the Investec group, being the Issuer together with its subsidiaries*

Risk Factor Group	Heading	Sub-heading
Part A – Risks related to the Issuer	1. Risks relating to the macro-environment in which Investec operates 2. Risks relating to Investec 3. Risks relating to Investec's fiscal, legal and regulatory compliance	<i>(a) Risks relating to the Specialist Banking business</i> <i>(b) Risks relating to Investec's Wealth & Investment business</i> <i>(c) Additional risks relating to Investec</i>
Part B – Risks related to the structure of the Notes		
Part C - Risks related to the Early Redemption of the Notes		
Part D - Risks related to Legal Framework of Notes		
Part E - Risks related to the Market generally		

Part A - Risks related to the Issuer

A decline in the business, operating results, financial condition and prospects of Investec may have an adverse impact on the ability of the Issuer to make payments under the Notes. The key factors which may impact on the performance of Investec are set out below.

1. Risks relating to the macro-environment in which Investec operates

General macro-economic conditions in the UK and globally

Investec is subject to risks arising from a variety of factors that affect general macro-economic conditions in the countries in which it operates, including in particular the UK and Europe, Asia and Australia, as well as global economic conditions. Economic conditions in the countries in which Investec operates have been negatively impacted by a number of global macro-economic trends, including ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, global trade concerns, a weakening of the Chinese economy, uncertainty regarding growth of the US economy, trade disputes between China and the United States, protectionist trends in global trade and significant volatility in global commodity prices such as crude oil. Similarly, factors such as rapid rises and falls in currency exchange rates, changes in inflation expectations, levels of investment capital, long-term low, negative or increasing interest rates and bond yields, and investor sentiment generally have in the past and may in the future adversely affect the economic performance of the primary markets in which Investec operates. Furthermore, Investec is subject to the risk of volatility or deterioration in economic conditions in countries in which it does not have operations, given linkages across the global economy and financial markets.

Since a significant portion of Investec's operating profit is derived from customers based in the UK, it is also particularly exposed to the condition of the UK economy, including matters that impact investor sentiment and corporate profitability. While economic indicators in the UK have stabilised in recent years, the UK economy has been characterised by extended periods of modest GDP growth and uncertainty following the vote in June 2016 to leave the European Union, as further described below, as well as market declines and strained political conditions in recent years. Economic and political conditions in the UK will likely continue to be affected by these factors, and significant changes in government policies, legislation or regulatory interpretation applicable to Investec or the industries in which it operates, whether due to a change of government or otherwise, could have a material adverse effect on the operations of Investec.

Investec also has a presence in a number of other markets. These operations expose Investec to additional risks, including in relation to local political, economic, regulatory and business challenges that may affect the demand for Investec's products and services, its reputation or the amount of Investec's assets under management in those markets.

Pandemics and widespread public health crises (including the recent Coronavirus Disease 2019 (also known as "COVID-19") outbreak, the impact of which will depend on future developments which are highly unpredictable and uncertain) may cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity which could have a significant adverse effect on Investec's results or operations, reputation and financial condition

Any further adverse economic developments in the countries in which Investec operates or, more generally, in the global economy, could have a material adverse effect on its business, operating results, financial condition and prospects.

Volatility in global financial markets

Significant volatility in the global financial markets may affect Investec's profitability in the following ways:

- (i) Certain Investec businesses earn investment management fees levied as a percentage of assets under management. A reduction in the value of such assets as a result of volatility would contribute to a reduction in fee and commission income payable in relation to such assets.

Additionally, a significant portion of Investec's total assets under management are invested in emerging markets. Investing in emerging markets carries particular risks, including in relation to volatile domestic political or economic conditions, as well as vulnerabilities to external shocks, from regional trading partners to more general contagion effects affecting emerging market economies globally. As a result, emerging market equity and debt securities markets have historically experienced periods of higher volatility than in more established markets. Investec's fee income from these investments can be particularly volatile from period to period, whether due to changes in the value of assets under management or investor decisions to reduce exposure to these markets during downturns.

- (ii) A deterioration or significant volatility in equity or other securities markets may also make equity investments less attractive to investors, and make it harder for Investec to attract new clients or could potentially result in clients withdrawing a portion or all of the assets in their portfolios.
- (iii) Investec maintains trading and investment positions in various financial and other assets, including equity, fixed income, currency and related derivative instruments and real estate. At any point in time these positions could be either long positions, such that Investec will benefit from upward movements in the market prices of these assets, or short positions, such that it will benefit from downward movements in the market prices of these assets. Fluctuations in the value of equities, fixed income, currency and related derivative instruments and real estate, either absolutely or relative to other asset classes, could also adversely affect market confidence. These financial markets are sometimes subject to significant stress conditions where steep falls in perceived or actual asset values are accompanied by severe reductions in market liquidity. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions. Market instability of this nature could result in Investec incurring losses.
- (iv) Deterioration in the financial markets has in the past affected, and will continue to affect levels of private client activity. Investec's investment banking and corporate banking income is directly related to the number and size of the transactions in which Investec participates and general corporate and institutional activity. Accordingly, any reduction in the number and/or size of such transactions and a slowdown in corporate activity, whether occasioned by market volatility or otherwise, will adversely affect its operating results. Moreover, some of Investec's income is derived from direct or principal investments or from the management of private equity portfolios. This income is dependent upon the performance of the underlying investments and the ability to realise value upon exit from the investments.

As a result of the foregoing factors, market volatility may have a material adverse effect on Investec's business, operating results, financial condition and prospects.

Interest rate levels and volatility

Interest rates, which are impacted by factors outside Investec's control, including the fiscal and monetary policies of the UK government and central bank, as well as UK and international political and economic conditions, affect Investec's operating results, profitability and return on capital in three principal areas: margins and income, cost and availability of funding and impairment levels.

In recent years, the UK has experienced historically low, sustained interest rates. The Bank of England's base rate was raised in August 2018 from 0.5% to 0.75%, but prior to that had remained at 0.5% for nine years at a record low. In the 30 years preceding December 2007, the lowest level of the base rate was 3.5%. This low interest rate environment has put pressure on net interest margin throughout the UK banking industry. The sustained period of low interest rates has resulted in relatively low spreads being realised by Investec between the rate it pays on customer deposits and the rate received on the loans, reducing net interest income and net interest margin. Low interest rates may also reduce incentives for consumers to save and, therefore, could reduce Investec's customer deposits, its principal source of funding. Investec's business and financial performance and net interest income and margin may continue to be adversely affected by the continued low interest rate environment.

Increases in interest rates could also adversely affect Investec. In an increasing interest rate environment, it may be more exposed to re-pricing of its liabilities than competitors with higher levels of term deposits. In the event of sudden large or frequent increases in interest rates, it also may not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which, in turn, could negatively affect its net interest margin and income.

Changes in interest rates could also impact Investec's impairment loss levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead to an increase in default rates among customers with variable rate loans who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for Investec. A high interest rate environment also reduces demand for loan products generally, as individuals are less likely or less able to borrow when interest rates are high. In addition, there is a risk that a sudden rise in interest rates, or an expectation thereof, could encourage significant demand for fixed rate products. High levels of movement between products in a concentrated time period could put considerable strain on

Investec's business and operational capability, and it may not be willing or able to price its fixed rate products as competitively as others in the market. This could lead to high levels of customer attrition and, consequently, a negative impact on Investec's profitability.

Although Investec employs hedging and management practices to manage interest rate risk, there is no guarantee that Investec will be able to hedge such exposure effectively in the future. If Investec is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing or by other means, its business, results of operations, financial condition and prospects could be materially adversely affected.

Government support of the finance and banking industry may have a disproportionate effect on some and an unintended effect on other participants in that industry

The actions of some governments, providing support to certain participants in the finance and banking industry (whether explicitly or implicitly), have had and will continue to have a fundamental effect on the finance and banking industry. Whether such actions have had a positive effect on the industry as a whole and/or the wider economy, there is a risk that those participants in the industry who have not received such government support, including Investec, may have been and may continue to be disadvantaged. For example, it is possible that those banks which have not received the support of governments may be perceived by potential clients as lacking stability. Such a perception may lead to a loss of clients by smaller participants in the industry, including Investec, if clients, for example, take deposits to an institution perceived to be more secure. If this were to occur, Investec's business, operating results, financial condition and prospects may be adversely affected.

The UK's exit from the EU

On 31 January 2020, the UK withdrew from the EU. The withdrawal of the UK from the EU continues to create significant political, social and macro-economic uncertainty, which has affected and is likely to continue to affect financial markets, consumer sentiment and corporate profitability.

As a result of this uncertainty, the pound sterling : U.S. dollar exchange rate fell to its lowest levels since the 1980s, with one pound sterling equal to US\$1.20 in January 2018, a decrease of 18.6%. In addition, Moody's Investors Service downgraded the outlook of the UK government's bond rating from stable to negative, Fitch downgraded the UK government's credit rating from AA+ (stable) to AA (negative) and Standard & Poor's Ratings Services downgraded the UK government's credit rating from AAA (negative) to AA (negative) (which rating has subsequently been upgraded to AA (stable)), in each case warning that the country's economic growth and fiscal strength are likely to be lower in the event the UK exits the EU.

In particular, there is a risk that the UK's exit from the EU, other political developments or developments otherwise affecting market confidence may result in outflows of assets from investment portfolios with exposure to the UK, which could include multi-asset portfolios held by Investec. Due to the size and importance of the UK economy in the global economy, particularly with respect to the UK financial services market, as well as the uncertainty and unpredictability concerning the UK's legal, political, financial and economic relationship with the EU after the end of the transition period (the "**Transition Period**") on 31 December 2020, there may continue to be instability in the national and international financial markets, significant currency fluctuations and otherwise adverse effects on consumer confidence for the foreseeable future.

Investec includes financial institutions authorised and regulated in the UK. The regulatory environment that applies to such entities is in large part derived from EU financial services legislation. While the UK is currently required to implement and apply such legislation, this may no longer be the case following the end of the Transition Period. This may have a significant impact on UK financial services legislation and the regulatory environment in which Investec operates, which may in turn have a material adverse effect on Investec's business, financial condition, operating results and prospects.

It is also unclear how the UK's withdrawal from the EU will affect UK financial institutions and businesses with assets or operations (including branches) in the EU (and vice versa) following the end of the Transition Period, which could impact matters from regulatory classifications, delegation of activities and operational processes within Investec to applicable tax regimes and the mobility of personnel. At present, EU legislation (as implemented into UK law) grants passporting rights to certain categories of financial institution, including insurers, investment firms, UCITS management companies and AIFMs. EU legislation (as

implemented into UK law) also facilitates mutual rights of access to EU market infrastructure such as payment and settlement systems. Following the end of the Transition Period, the current passporting arrangements may cease to be effective, as may the current mutual rights of access to market infrastructure. Investec contains entities that rely on such passporting arrangements and market infrastructure. In addition, as of 30 September 2019, Investec had 17 offices and employed approximately 3,700 permanent employees in the UK. A number of Investec's employees in the UK are citizens of EU member states. Depending on the contours of the agreement reached between the UK and the EU on migration and immigration (if any), the UK's exit from the EU could result in restrictions on mobility of personnel and could create complexities for Investec in recruiting and retaining qualified employees.

As a result of the foregoing, the UK's departure from the EU may have material adverse effects on Investec's business, financial condition, operating results and prospects.

Fluctuations in exchange rates

A proportion of Investec's operations are conducted by Investec entities outside the United Kingdom. The results of operations and the financial position of Investec's individual companies are reported in the local currencies of the countries in which they are domiciled, including Euro, U.S. Dollars and Australian Dollars. These results are then translated into pounds sterling at the applicable foreign currency exchange rates for inclusion in Investec's consolidated financial statements. Investec is also subject to currency risk in respect of its trading activities, which it conducts through its Specialist Banking business, both in relation to client flows and balance sheet management.

Exchange rates between local currencies and pounds sterling have fluctuated, during recent periods. These fluctuations could have an adverse impact on Investec's results of operations.

Where possible, Investec manages foreign currency risk by matching same currency revenues to same currency expenses in the countries where it operates. However, it is not always able to do so. For example, Investec earns significant fee revenue in U.S. dollars from operations in countries outside the United States, where expenses are incurred in the local currency.

Response of governments and regulators to instability in the global financial markets may not be effective

In times of economic instability, governments and regulators are faced with pressure from a variety of sources, including market participants, the media, investor organisations and others, to reform the existing financial and regulatory system. There can be no guarantee that the response of governments and regulators in the jurisdictions in which Investec operates, and the reforms proposed thereby, will be effective or that the timing of responses (which might otherwise have been effective) will be appropriate. In addition, any such measures taken may negatively impact Investec's business even when they achieve their policy goals.

In the past, governments and regulators in some jurisdictions have responded to pressure of the kind referred to above by greatly increasing regulation. Reforms which increase the compliance and reporting burdens of role-players in the financial markets space can have unintended effects on the environment within which such role-players operate. There can be no guarantee that the governments and regulators in the jurisdictions in which Investec operates will not make policy decisions to implement reforms which increase the burdens faced by Investec in relation to compliance and reporting. This could increase the costs Investec has to devote to compliance and reporting and, in turn, could have a negative effect on Investec's financial condition and results of operations.

Industries in which Investec operates are intensely competitive

The financial services industry is intensely competitive and Investec faces substantial competition in all aspects of its Specialist Banking business. Given that its activities are focused on niche areas within the banking industry, the Specialist Banking business does not have any peers that have a directly comparable business model. However, it faces competition within these areas from large high street banks as well as providers of private banking for the ultra-high net worth market. These banks may have greater resources, broader product offerings and more extensive distribution networks than Investec. Investec also faces competition in the UK from new entrants to the market, including from banking businesses developed by large non-financial companies. Increasing pressure faced by Investec from these banks, as well as mainstream banks returning to the market, could adversely affect Investec's margins. If Investec is unable

to manage this competition, its ability to retain its clients and continue to attract deposits may be compromised, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The financial advice, investment solutions, platforms and wealth management markets in the UK and internationally are competitive, and Investec expects such competition to intensify in response to competitor behaviour, consumer preferences, technological changes, the impact of consolidation, regulatory actions and other factors. Investec faces the risk that advisers and customers do not prefer Investec's solutions or service offerings to those of competitors, or that preferences change significantly away from its services, either of which could reduce Investec's client base or assets under management. In the wealth management industry, Investec's principal competitors are pure asset management firms that operate internationally and domestically in its chosen markets, including the UK.

Furthermore, the wealth management industry has experienced periods of significant consolidation as numerous wealth management firms have either been acquired by other financial services firms or ceased operations. This has resulted in Investec having to compete with larger and potentially better capitalised firms with more efficient operating models and offering more comprehensive suites of products and operating services. Furthermore, a number of entrants, including commercial banks and foreign entities, have made investments in and acquired wealth management firms.

If Investec is unable to manage this competition, its ability to retain its customers and continue to attract deposits may be compromised and could result in growth in Investec's assets under management slowing or in net customer outflows.

Investec views digitalisation as a key business enabler and therefore continues to invest in digital capabilities. However, there is the risk that Investec invests in technologies that are unable to compete with those of competitors, or is unable to keep pace with industry change that may arise as a result of alternative intelligence developments, industry disruptors or otherwise.

Any of the foregoing factors could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Volatility in the value of UK real estate

UK house prices influence the value of Investec's mortgage portfolio. A decline in house prices in the UK could lead to a reduction in the recovery value of real estate assets held as collateral in the event of a customer default, and could lead to higher impairment losses, which could reduce Investec's capital and profitability as well as its ability to engage in lending and other income-generating activities. A significant increase in house prices over a short period of time could also have a negative impact on Investec by reducing the affordability of homes for buyers, which could lead to a reduction in demand for new mortgages. Sustained volatility in house prices could also discourage potential homebuyers from committing to a purchase, thereby limiting Investec's ability to grow its mortgage portfolio.

In the UK, the government's intervention into the housing market, both directly through, for example, buyer assistance schemes and indirectly through the provision of liquidity to the banking sector under, for example, the Bank of England and HM Treasury's Funding for Lending scheme and Term Funding scheme, may also contribute to volatility in house prices. This could occur, for example, as a result of any sudden end to buyer assistance schemes in the future, which could lead to a decrease in house prices, or due to their continuation, which would maintain excess funding liquidity in the mortgage market which has supported a low mortgage interest rate environment, and which could lead to inflation in house prices. The impact of these and any other initiatives on the UK housing market and other regulatory changes, tax changes or UK Government programme changes is difficult to predict. Volatility in the UK housing market occurring as a result of these changes, or for any other reason, could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

2. Risks relating to Investec

(a) Risks relating to the Specialist Banking business

Customer and counterparty credit quality

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions through loans and advances to clients and counterparties creates the risk that an obligor will be unable or unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where the Bank has placed funds with other financial institutions;
- Issuer risk on financial instruments (for example, corporate bonds) where payments due from the issuer of a financial instrument may not be received;
- Trading transactions, giving rise to settlement and replacement risk, which is collectively referred to as counterparty risk. Settlement risk is the risk that the settlement of a transaction does not take place as expected. Replacement risk is the financial cost of having to enter into a replacement contract with an alternative market counterparty following default by the original counterparty.

Investec's credit risk arises primarily in relation to its Specialist Banking business, through which it offers products such as private client mortgages and specialised lending to high income professionals and high net worth individuals and a range of lending products to corporate clients, including corporate loans, asset based lending, fund finance, asset finance, acquisition finance, power and infrastructure finance, resource finance and corporate debt securities. Within its Wealth & Investment business, Investec is subject to relatively limited settlement risk which can arise due to undertaking transactions in an agency capacity on behalf of clients.

Credit and counterparty risks can be impacted by country risk where cross-border transactions are undertaken. This can include geopolitical risks, transfer and convertibility risks and the impact on the borrower's credit profile due to local and economic political conditions.

In accordance with policies overseen by its Central Credit Management department, Investec makes provision for specific impairments and calculates the appropriate level of portfolio impairments in relation to the credit and counterparty risk to which it is subject. This process requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. Investec may fail to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors. Further, despite Investec having conducted an accurate assessment of customer credit quality, customers may be unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic disruptions or other external factors. The failure of customers to meet their commitments as they fall due may result in higher impairment losses. Increased credit and counterparty risk could have a material adverse impact on the profitability, financial condition and prospects of Investec's business.

Concentration of credit risk

Investec is subject to concentration risk, which arises when large exposures exist to a single client or counterparty, group of connected counterparties or to a particular geography, asset class or industry. Concentration risk can also exist where a portfolio of loan maturities is clustered within a single period of time. While Investec's loan book remains well diversified, geographical concentration in its loan book may pose risks. In the event of a disruption to the credit markets in the geographies in which Investec operates (particularly the UK) or the emergence of adverse economic conditions in any of those geographies, including in relation to interest rates and unemployment levels, this concentration of credit risk could cause Investec to experience greater losses than its competitors. While Investec regularly monitors its loan book to assess potential concentration risk, efforts to divest, diversify or manage its loan book against

concentration risks may not be successful and could result in an adverse effect on its business, results of operations, financial condition and prospects.

Liquidity risk

Liquidity risk is the risk that Investec has insufficient capacity to fund increases in its assets, or that it is unable to meet its payment obligations as they fall due. This includes repaying depositors or maturing of wholesale debt. The risk arises from mismatches in the timing of cash flows, and is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events. Liquidity risk can be further broken down into:

- Funding liquidity, which relates to the risk that Investec will be unable to meet current and/or future cash flow or collateral requirements in the normal course of its business and periods of stress, without adversely affecting its financial position or reputation; and
- Market liquidity, which relates to the risk that Investec may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

Sources of liquidity risk include:

- unforeseen withdrawals of deposits;
- restricted access to new funding with appropriate maturity and interest rate characteristics;
- inability to liquidate a marketable asset in a timely manner with minimal risk of capital loss;
- unpredicted customer non-payment of loan obligations; and
- a sudden increased demand for loans in the absence of corresponding funding inflows of appropriate maturity.

Investec relies on its customer deposit base as the principal source of stable and well diversified funding for its risk assets. Its primary source of funding is customer deposits. Therefore in order to appropriately manage liquidity risk, growth in lending activities will in part depend on the availability of customer deposit funding on acceptable terms, for which there may be increased competition, which is dependent on a variety of factors outside Investec's control. These factors include general macro-economic conditions and market volatility and confidence of retail depositors in the economy. Increases in the cost of customer deposit funding will adversely affect its net interest margin and a lack of availability of customer deposit funding could have a material adverse effect on Investec's growth. Whilst Investec does not expect this risk to materialise in either the short or long term, there remains a possibility that it could materialise due to low probability but high impact factors outside of Investec's control which, while not currently envisaged to arise, are a feature of operating in this sector and therefore could occur in the long term.

While Investec does not currently rely heavily on wholesale funding (i.e. borrowing from other banks and financial institutions), it may need to access wholesale markets where there is a residual funding requirement over and above funds held from customer deposits. If the wholesale funding markets were to be fully or partially closed, it is likely that wholesale funding would prove more difficult to obtain on commercial terms, which could have a material adverse effect on Investec's growth.

The Capital Requirements Directive IV 2013/36/EU ("**CRD**") and the Capital Requirements Regulation 575/2013 ("**CRR**") (as implemented in the UK through applicable regulatory rules set out in the PRA Rulebook and other PRA publications) together "**CRD IV**", require Investec to adhere to Basel III liquidity ratios. These are the liquidity coverage ratio ("**LCR**"), which requires banks to have sufficient high quality liquid assets to withstand a 30-day stress scenario, and the net stable funding ratio ("**NSFR**"), which is a long-term structural ratio designed to address funding mismatches. The calculation of the LCR and NSFR are specified in the EU by the LCR Delegated Act and CRR2, respectively. The LCR is a binding regulatory metric with a minimum requirement of 100% and the NSFR will become a binding metric in June 2021, also with a minimum requirement of 100%

As at 30 September 2019, Investec's regulatory ratios are comfortably above the requirements applicable to the LCR and to the NSFR. Any failure to manage its liquidity position or to meet the LCR and NSFR requirements could have a material adverse effect on Investec's business, financial conditions and prospects.

(b) **Risks relating to Investec's Wealth & Investment business**

Poor investment performance and a deterioration of services

The success of relevant investment strategies ("**investment performance**") is an important factor for the maintenance and growth of assets under management across Investec's Wealth & Investment business. If Investec's Wealth & Investment business was to experience poor investment performance over a prolonged period, affected clients (or clients generally) might decide to reduce their investments or withdraw funds altogether in favour of better performing services or competing investment managers, which would lead to a direct reduction in the level of Investec's assets under management and, as a result, lower fee and commission income. Furthermore, during a period of significant poor investment performance, Investec's reputation and brand, which have in part been built around its strong investment performance, may deteriorate. As a result, its ability to attract funds from existing and new clients might diminish, particularly given the competitive nature of the wealth management market.

In addition to investment performance, the directors believe that the quality of the services it delivers and the relationships it develops with clients are among the key factors for the maintenance and growth of its assets under management. Investec's investment managers are central to its relationships with its clients and play a key role in enabling Investec's wealth management business to earn the long-term trust of its client base. However, client complaints regarding dissatisfaction with the services they receive from their investment managers or Investec generally, including in relation to general administration of their investments, could ultimately lead to the withdrawal of client investments and a reduction in Investec's assets under management.

The occurrence of any of the foregoing could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Withdrawals of assets under management at short or no notice

Investec's arrangements with its clients are generally terminable without cause and at any time with short or no notice. Clients may decide to withdraw a portion or all of the assets managed by Investec, or transfer their investments to another provider of wealth management services, for various reasons. A reduction in the value of assets under management would lead to an immediate impact on Investec's fee and commission income and therefore on operating profit. Significant withdrawals of assets under management or transfers of client assets could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

New products and services may not achieve acceptance in the market

Investec's Wealth & Investment business depends on its ability to develop new products and services that achieve a sufficient level of acceptance in the market to challenge its competitors. There can be no assurance that Investec's Wealth & Investment business will be able to develop new products or services that will appeal to clients, or that its competitors will not introduce more successful products or services or successfully copy the products and services introduced by Investec. New product and service launches involve a significant investment and commitment of human resources by Investec. If the products and services introduced by Investec's Wealth & Investment business does not achieve the anticipated level of acceptance, or it is unsuccessful in any new distribution channel, Investec could lose customers or be required to incur substantial costs in order to maintain its customer base. Additionally, if the processes to design, develop and launch new products and services are inadequate, it may result in Investec investing development resources inappropriately, launching products or services that are incapable of achieving their stated goals, or failing to achieve its business objectives. The inability to effectively develop and successfully launch new products and services could have a material adverse effect on its business, results of operations, financial condition and prospects.

Breaches of investment mandates

Investec's Wealth & Investment business is generally required to invest in accordance with specific investment mandates or objectives established for the particular portfolio or product. If investments are made or managed in breach of an investment mandate, including with regard to the use of benchmark indices, Investec could be required to unwind the relevant transactions, could suffer reputational and brand damage and likely would be liable for any losses suffered by an affected party in doing so. Losses could be

significant and exceed amounts recoverable under Investec's insurance policies, if any. The potential reputational and brand damage and the obligation to compensate for such losses could have a material adverse effect on the Wealth & Investment business, financial condition, results of operations and prospects.

Relationships with intermediaries and evolution of distribution and procurement channels

Investec's Wealth & Investment business relies on independent financial advisers, institutional investment consultants and advisory platforms, who may retain responsibility for specific aspects of the overall service provided to the customer and/or, such as the recording of "know your customer" information and the suitability of the investment mandate.

Investec's Wealth & Investment business provides investment management services to private individuals, charities, pension funds and trusts. Its distribution channels include direct to client, intermediaries, Investec Private Bank, and the Investec Group's wealth management business in other geographies.

Although Investec's Wealth & Investment business has undertaken various steps to expand and deepen its investment consultant and financial advisory relationships and networks, there can be no assurance that its efforts will be successful. Many of Investec's Wealth & Investment's competitors are also working to expand and deepen their own investment consultant and/or financial adviser relationships and networks. As competition expands among wealth management firms for business from financial adviser introductions, Investec's Wealth & Investment business may be unable to maintain its key relationships or grow the amount of new business it generates from these channels.

Investec's Wealth & Investment business also faces risks arising from the evolution of distribution channels, including changing client demand, trends in existing distribution channels, the growth of new distribution channels and the emergence of new types of intermediaries. Changes in distribution channels may also lead to the emergence of new competitors. Although Investec's Wealth & Investment business continuously evaluates its distribution channels across the range of its existing client and intermediary relationships, market trends are constantly evolving.

In particular:

- (i) The increasing popularity of internet investing systems and platforms in recent years has led to the growth of wealth managers offering simplified investment management services to the mass affluent investor market, often targeting self-directed investors. In recent years, this trend towards self-directed investments in certain segments of the market has intensified. In many cases, wealth managers have focused their services on the development of low-cost, simplified investment models in order to target this segment of the investor market. There can be no assurance that any efforts by Investec to compete effectively with these entrants for new customers will be successful or that Investec's customers will not transfer their investments to these types of investment management firms.
- (ii) New distribution trends, such as channel convergence and the emergence of new channels, including investment consultants, fiduciary advisers, multi-managers and outsourced investment management providers, require agility to meet client demands. Investec must ensure that its product and service offerings meet evolving client needs in these new and growing channels.
- (iii) Investec's Wealth & Investment business is also exposed to the risk that advisers may change their business models in ways that affect whether or how they recommend Investec's products or services, either in response to changing business priorities or as a result of shifts in regulatory supervision or potential changes in applicable laws and regulations. This may concern, for instance, requirements and standards applicable to the distribution of Investec's products or services, as well as changes in distribution trends. Each of these factors may result in advisers ceasing to recommend Investec's products or services, or recommending fewer of such products or services, or clients seeking products and services from other providers.

A loss of Investec's Wealth & Investment business' relationships with particular intermediaries, or the emergence of competitors through new or developing distribution channels, could result in a reduction in Investec's assets under management or the ability to distribute products and could have a material adverse effect on its business, operating results, financial condition and prospects.

(c) Additional risks relating to Investec

Borrowing costs and access to the debt capital markets depend significantly on credit ratings

Rating agencies, which determine Investec's own credit ratings and thereby influence Investec's cost of funds, take into consideration management effectiveness and the success of Investec's risk management processes. Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry irrespective of an industry participant's individual position. Changes to the Sovereign rating in the countries in which Investec primarily operates could also impact Investec's credit rating.

Any reduction in Investec's long- or short-term credit ratings could increase its borrowing costs, limit its access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements.

While Investec would strive to manage such additional costs and funding requirements, any downward changes in the credit ratings of entities within the Investec group could negatively impact the volume and pricing of Investec's funding, which could in turn have a material adverse effect on its business, operating results, financial condition and prospects.

Insufficient capital and inability to secure additional financing when required

The prudential regulatory capital requirements applicable to banks have increased significantly over the last decade, largely in response to the financial crisis that commenced in 2008 but also as a result of continuing work undertaken by regulatory bodies in the financial sector subject to certain global and national mandates. These prudential requirements are likely to increase further in the short term, not least in connection with ongoing implementation issues, and it is possible that further regulatory changes may be implemented in this area in any event.

Investec plc is authorised by the Prudential Regulation Authority (the "**PRA**") and is regulated by the United Kingdom Financial Conduct Authority (the "**FCA**") and PRA on a consolidated basis. Investec plc calculates capital resources and requirements using the Basel III framework, as implemented in the European Union through CRD IV. Subsidiaries of Investec plc may be subject to additional regulations as implemented by the local regulators in their respective jurisdictions. Various subsidiaries are subject to additional regulation covering various activities or implemented by local regulators in other jurisdictions. Investec sets its internal target amount of capital and liquidity based on an assessment of its risk profile, market expectations and regulatory requirements in relation to both capital and liquidity. Investec may experience a depletion of its capital resources through increased costs or liabilities incurred as a result of the crystallisation of any of the other risks described in this document. If, for example, market expectations as to capital levels increase, driven by, for example, the capital levels or targets among peer banks, or if new regulatory requirements are introduced, Investec may experience pressure to increase its capital ratios.

As at 30 September 2019, the Issuer's common equity tier 1 capital ratio was 10.5% and its total capital ratio was 15.2%. These ratios incorporate the deduction of foreseeable charges and dividends as required by the CRR and EBA technical standards. Excluding this deduction, the common equity tier 1 ratio would be 0.24% higher. Investec intends to continue to hold capital in excess of regulatory requirements to ensure that it remains well capitalised in a vastly changing banking environment. If Investec fails to meet its minimum regulatory capital or liquidity requirements, it may be subject to administrative actions or sanctions. In addition, a shortage of capital or liquidity could affect Investec's ability to pay liabilities as they fall due, pay future dividends and distributions, and could affect the implementation of its business strategy, impacting future growth potential. If, in response to any capital shortage, Investec raises additional capital through the issuance of share capital or capital instruments, shareholders may experience a dilution of their holdings or reduced profitability and returns. Any inability of Investec to maintain its regulatory capital or liquidity requirements, or any legislative changes that limit its ability to manage its capital effectively may have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Risk management policies and procedures

Investec devotes significant resources to developing its risk management policies and procedures, particularly in connection with credit, liquidity, market and other banking risks, and expects to continue to

do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of Investec's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which Investec operates, its clients or other matters that are publicly available or otherwise accessible by Investec. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Any failure of Investec's risk management techniques may have a material adverse effect on its results business, operational results, financial condition and prospects.

As the Issuer is a holding company, its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders

The Issuer is a holding company that currently has no significant assets other than its investment in its principal subsidiary, Investec Bank plc, which houses the Issuer's specialist banking and wealth management businesses, including Investec Wealth and Investment Limited. As a holder of ordinary shares in such subsidiary, the Issuer's right to participate in the assets of such subsidiary if it is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders (if any), except in the limited circumstance where the Issuer is a creditor with claims that are recognised to be ranked ahead of or pari passu with such claims of other of the subsidiary's creditors and/or preference shareholders against such subsidiary. Accordingly, if the Issuer's subsidiary was to be wound up, liquidated or dissolved, (i) the holders of the Notes would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of its creditors, including holders (which may include the Issuer) of preference shares and any other Tier 1 capital instruments, before the Issuer, to the extent it is as an ordinary shareholder of such subsidiary, would be entitled to receive any distributions from such subsidiary.

Failure of information and operating systems

Investec relies on the proper functioning of its information and operating systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business continuity planning. Any significant degradation, failure or lack of capacity of Investec's information systems or any other systems in the trading process could therefore cause it to fail to complete transactions on a timely basis, could have an adverse effect on its business, results of operations, financial condition and prospects or could give rise to adverse regulatory and reputational consequences for Investec's business.

Investec's future success will depend in part on its ability to respond to changing technologies and demands of the market place. Investec's failure to upgrade its information and communications systems on a time or cost-effective basis could damage its relationships with its clients and counterparties and could have a material adverse effect on its business, financial condition, results of operations and prospects.

Vulnerability to attacks on or breaches of security systems

The secure transmission of confidential information is a critical element of Investec's operations. Investec's networks and systems may be vulnerable to unauthorised access and other security problems. In particular, as a financial institution, Investec is subject to a heightened risk that it will be the target of criminal activity, including fraud, theft or cybercrime. For example, Investec is exposed to potential losses due to breaches of its terms of business by its customers (e.g., through the use of a false identity to open an account) or by customers engaging in fraudulent activities, including the improper use of legitimate customer accounts. There also can be no assurance that the Investec's systems will not be subject to attack by cybercriminals, including through denial of service attacks, which could significantly disrupt its operations. Investec cannot be certain that its existing security measures will prevent security breaches, including break-ins, viruses or disruptions. Persons that circumvent the security measures could use Investec or its clients' confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

Any failure by Investec to maintain effective security systems, or to implement upgrades on a timely or cost-effective basis could damage its relationships with its customers and/or clients and counterparties and

result in adverse regulatory consequences, which could have a material adverse effect on its business, operating results, financial conditions and prospects.

Failure to recruit, retain and motivate key personnel

The group's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by Investec for a substantial period of time and have developed with the business. In addition, while the group is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees. Competition in the financial services industry for qualified employees is intense. Further, the group's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the group's business.

Investec's continued ability to compete effectively and further develop its businesses depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel competitively with its peers.

For example, many of Investec's peers within the industry have pursued remuneration structures that involve higher base salaries and a relatively lower proportion of performance-related pay (or bonuses). Investec's remuneration policies and practices tend to emphasise the importance of performance and, as such, the proportion of employees' pay packages which are variable may be higher than that of its competitors. It is possible that employees perceive higher base salaries, albeit coupled with lower levels of performance-related bonuses, as an attractive proposition, which may affect Investec's ability to retain key personnel. Alternatively, Investec may be forced to raise base salaries to attract and retain key personnel. The effect of this would be to increase Investec's fixed cost base, which would impact its budget and make it more difficult for Investec to lower its cost base in reaction to adverse markets or other circumstances when required and would have a corresponding impact on its regulatory capital requirements. In addition, while Investec is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees.

Reputational harm

Investec is subject to the risk of loss due to customer or staff misconduct. Investec's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to Investec.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. Investec's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from Investec, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. Investec has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

Implementation of strategy

Investec's ability to implement its strategy successfully is subject to execution risks, including management of its cost base and limitations in its management or operational capacity. These risks may be exacerbated by a number of external factors, including a downturn in the UK, European or global economy, increased competition in the financial services industry and/or significant or unexpected changes in the regulation of the financial services sector in the UK or Europe. If Investec is unable to implement its business strategy, its business, results of operations, financial condition and prospects could be material adversely affected.

Operational risk

Operational losses can result, for example, from fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of Investec's suppliers or counterparties. Although Investec has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, reporting systems and to staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by Investec. Notwithstanding anything contained in this risk factor, it should not be taken as implying that Investec will be unable to comply with its regulatory obligations. Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on Investec's results of operations, reputation and financial condition.

Failure to adequately insure against specific risks

Investec's business entails the risk of liability related to litigation from customers, shareholders, employees or third-party service providers and actions taken by regulatory agencies, which may not be adequately covered by insurance or at all. Specifically, there is a risk that claims may arise in relation to damage resulting from Investec's employees' or service providers' operational errors or negligence, or misconduct or misrepresentation by its employees, agents and other operational personnel, there can be no assurance that a claim or claims will be covered by insurance or, if covered, that any such claim will not exceed the limits of available insurance coverage or that any insurer will meet its obligations to insure. There can also be no assurance that insurance coverage with sufficient limits will continue to be available at a reasonable cost. Renewals of insurance policies or claims under existing policies may expose Investec to additional costs through higher premiums or the assumption of higher deductibles or co-insurance liability. A significant increase in the costs of maintaining insurance cover or the costs of meeting liabilities not covered by insurance could have a material adverse effect on Investec's business, financial condition, results of operations and prospects.

Use of models to determine fair value of financial instruments

Under IFRS, Investec is required to carry certain financial instruments on its balance sheet at fair value, including, among others, trading assets (which include certain retained interests in loans that have been securitised), available-for-sale securities and derivatives. Generally, in order to establish the fair value of these instruments, Investec relies on quoted market prices or internal valuation models that utilise observable market data. In certain circumstances and over the last year in particular, however, the ability of Investec and other financial institutions to establish fair values has been influenced by the lack of readily available observable market prices and data and the fact that the availability or reliability of such information has diminished due to market conditions. Furthermore, in common with other financial institutions, Investec's processes and procedures governing internal valuation models are complex and require Investec to make assumptions, judgements and estimates in relation to matters that are inherently uncertain, such as expected cash flows from a particular asset class, the ability of borrowers to service debt, house price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated to reflect changing trends in relation to such matters. To the extent Investec's assumptions, judgements or estimates change over time in response to market conditions or otherwise, the resulting change in the fair value of the financial instruments reported on Investec's balance sheet could have a material adverse effect on Investec's earnings.

Financial instruments are valued differently under relevant applicable accounting rules depending upon how they are classified. For example, assets classified as held-to-maturity are carried at cost (less provisions for permanent impairment) while trading assets are carried at fair value. Similar financial instruments can be classified differently by a financial institution depending upon the purpose for which they are held and different financial institutions may classify the same instrument differently. In addition, financial institutions may use different valuation methodologies which may result in different fair values for the same instruments.

Accordingly, Investec's carrying value for an instrument may be materially different from another financial institution's valuation of that instrument or class of similar instruments. Furthermore, a fair value determination does not necessarily reflect the value that can be realised for a financial instrument on a given date. As a result, assets and liabilities carried at fair value may not actually be able to be sold or settled for that value. If such assets are ultimately sold or settled for a lower or greater value, the difference would be

reflected in a write-down or gain. The difference between the fair value determined at a particular point in time and the ultimate sale or settlement value can be more pronounced in volatile market conditions or during periods when there is only limited trading of a particular asset class from which to establish fair value. This can result in a significant negative impact on Investec's financial condition and results of operations due to an obligation arising to revalue assets at a fair value significantly below the value at which Investec believes it could ultimately be realised.

3. Risks relating to Investec's fiscal, legal and regulatory compliance

Investec's businesses are subject to extensive regulation

Investec is subject to extensive regulation in each of the jurisdictions in which it conducts business. Investec is also obliged to complete extensive and complex disclosures relating to assets held within Investec to meet UK and international regulations. Regulatory agencies have broad regulatory and administrative powers over many aspects of financial services businesses such as Investec, which may include governance, systems and controls requirements, conduct of business requirements (including marketing and selling practices, advertising, customer documentation and service standards), market conduct, product authorisation and governance, solvency, liquidity, intra-group transactions, risk concentration, management of conflicts of interest and permitted investments.

For example, Investec's UK businesses are subject to regulation by the FCA and the PRA.

Further, the United Kingdom's exit from the European Union brings uncertainty to the future regulatory landscape for financial services firms that operate in the United Kingdom, their ability to service European clients and has a macroeconomic impact on the wider UK economy. By withdrawing from the EU single market (and subject to any future and/or transitional arrangement between the United Kingdom and the European Union on market access), UK-based financial firms will lose the benefit of passporting rights to access EU markets and investors. Additional risks related to regulatory change in connection with the United Kingdom's vote to leave the European Union are described in "*The UK's exit from the EU*" above.

Outside the UK, Investec's businesses are regulated by local domestic and supranational regulators that often have similar powers to the FCA, including the South African Reserve Bank Prudential Authority ("**SARB PA**") and the South African Financial Sector Conduct Authority ("**SA FSCA**"); the Securities Exchange Commission, Financial Industry Regulatory Authority and Commodity Futures Trading Commission in the United States; the Bank of Mauritius; the Securities and Futures Commission in Hong Kong; the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority; the Swiss Financial Market Supervisory Authority; the Monetary Authority of Singapore; the Central Bank of Ireland; the European Securities and Markets Authority and the European Banking Authority ("**EBA**") in the EU and the Guernsey Financial Services Commission.

These authorities can apply a wide range of sanctions to firms (and individuals working for firms) found to be operating in breach of their regulations, or in a manner deemed to pose a significant risk to their statutory obligations, including public or private censure, fines, regulatory proceedings and, in extreme cases, suspension or withdrawal of authorisation to operate particular parts of their business or prosecution. Additionally, defending itself in proceedings, and the cost of any applicable sanctions may involve significant expense. Enforcement or other action taken by regulators against Investec could also have a detrimental impact on its reputation, which could undermine customer confidence and reduce demand for Investec's products and services. Any of these matters may have a material adverse effect on Investec's business, financial condition, operating results and prospects.

Adverse changes in laws or regulations

Financial services laws, regulations and regulatory requirements currently affecting Investec may change at any time in ways that could negatively impact Investec. It is difficult to accurately predict the timing, scope or form of future regulatory initiatives, although it is widely expected that there will continue to be a substantial amount of regulatory change and a high degree of supervisory oversight of regulated financial services firms. In addition, under certain principles-based rules and regulations, there may be different industry views about how to achieve particular outcomes. Regulators may from time to time have different views about how market participants should meet regulatory outcomes and interpretations may differ from generally accepted market practice.

Investec will not always be able to predict accurately the impact of future legislation or regulations or changes in the interpretation or operation of existing legislation or regulations on its business, financial condition, operating results and prospects. Changes in government policy, legislation or regulatory interpretation that applies, to companies in financial services industries in any of the markets in which Investec operates, including in particular in the UK, which may be applied retrospectively, may limit Investec's activities or otherwise adversely affect Investec's service offering, distribution channels, capital requirements, results and financing requirements. For example, Investec may be unable to sell, or may decide not to sell, products or solutions in certain jurisdictions if regulations or interpretations change. In addition, Investec may face regulatory action on products or solutions that were designed to meet legislation in force at the time of design or sale that has subsequently been amended. Such changes may also result in increased compliance costs due to the need to establish additional compliance controls, or if investor demand is affected by changes to tax regulation or enforcement in their home jurisdictions or the countries where Investec operates.

Financial regulation in the EU Member States in which Investec operates is primarily based on EU directives, which are required to be implemented into national law. Due to differences in the way EU Member States may implement EU directives, and their discretion to impose more stringent requirements in certain areas, financial regulation is not fully harmonised across the EU. Different approaches to implementing EU directives in the EU Member States in which Investec operates may increase compliance costs and place Investec's business at a competitive disadvantage to financial services groups operating in fewer or certain other EU jurisdictions. Regulatory divergence also increases the risk of Investec's ability to comply with certain regulations.

Investec faces significant compliance challenges because the regulatory environment is evolving rapidly and supervisory authorities around the world are assuming an increasingly active and assertive role in introducing, interpreting and enforcing regulations in the jurisdictions in which Investec operates. For example, in the UK the regulator has, in recent years, had a renewed focus on the way in which financial services providers provide investment advice or sell and administer insurance policies, investment solutions and other financial products.

As a result of the foregoing factors, significant regulatory change could have a material adverse effect on Investec's business, operating results, financial condition and prospects.

Complex data protection and privacy laws

Investec is subject to regulations and heightened regulatory scrutiny in the jurisdictions in which it operates regarding the use of personal data. As data privacy concerns have increased in recent years, a number of jurisdictions have implemented, or commenced exploration into the introduction of, new regulations on the treatment and protection of client data. Investec collects and processes personal data (including name, address, age, bank and credit card details and other personal data) from its customers, third party claimants, business contacts and employees as part of the operation of its business, and therefore it must comply with data protection and privacy laws. Those laws generally impose certain requirements on Investec in respect of the collection, retention, deletion, use and processing of such personal data. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs as well as result in potential inaccurate rating of policies or overpayment of claims. Investec seeks to ensure that procedures are in place to comply with the relevant data protection regulations by its employees and any third-party service providers, and also implement security measures to help prevent cyber-theft. Notwithstanding such efforts, Investec is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. In addition, Investec may not have the appropriate controls in place today and may be unable to invest on an ongoing basis to ensure such controls are current and keep pace with the growing threat.

In the UK, data protection law has been subject to material change in recent years. The European Commission, European Parliament and the Council of Ministers agreed Regulation (EU) 2016/679, the General Data Protection Regulation ("**GDPR**") on 15 December 2015, and from 25 May 2018 the GDPR has applied, replacing the UK Data Protection Act 1998 (and the equivalent laws in EU and EEA Member States). In addition, the Data Protection Act 2018 (the "**DPA18**"), supplementing the obligations in the GDPR, came into effect on 25 May 2018. The GDPR and DPA18 have increased the regulatory burden on Investec in processing personal customer, employee and other data in the conduct of its business and may also increase the potential sanctions for breach as the GDPR includes significant financial penalties of up

to 4% of the annual worldwide turnover of company groups. Investec has undertaken a detailed program to develop and implement further data protection policies and procedures designed to comply with the GDPR.

In addition, the EU ePrivacy Regulation ("ePR") is expected in 2019. Once in force, this will introduce new rules around, amongst other things, confidentiality of online communications, the use of cookies and direct marketing, again increasing the regulatory burden on Investec in conducting its business and impacting the way it markets its products and services.

In addition, Investec expects data privacy to remain a focus area for regulators in many of the other jurisdictions where it operates and that new data protection requirements will continue to be introduced in the future.

If Investec or any of the third-party service providers on which it relies (including non-subsidiary affiliates of Investec) fails to comply with existing data protection laws or fails to adapt to new or amended data protection laws, including the GDPR, DPA18, ePR (once in force) or the POPI Act (once in force), due to any failure to store or transmit customer information in a secure manner or any loss or wrongful processing of personal data, Investec could be subject to investigative and enforcement action by relevant regulatory authorities, claims or complaints from the individuals to whom the data relates or could face liability under data protection laws. Any of these events could also result in Investec suffering reputational damage as well as the loss of new or repeat business, which could have a material adverse effect on Investec's business, financial condition, operating results and prospects.

Money laundering and other financial crime activities

Investec is required to comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing and other laws and regulations in the jurisdictions in which it operates, including the UK Bribery Act 2010, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the UK Criminal Finances Act 2017, and the extra-jurisdictional reach of international laws such as the US Foreign Corrupt Practices Act. These laws and regulations require Investec, among other things, to conduct customer due diligence regarding fiscal evasion, anti-money laundering, sanctions and politically exposed persons screening, keep customer and supplier account and transaction information up to date and implement effective financial crime policies and procedures. Where applicable, these laws restrict or prohibit transactions with certain countries and with certain companies and individuals identified on lists maintained by the US government, the EU, various EU Member States and other governments. As such, future changes could impact existing investments or limit future investment strategies.

Financial crime has become the subject of enhanced scrutiny and supervision by regulators globally. Anti-money laundering, anti-bribery and anti-corruption, and insider dealing and economic sanctions laws and regulations are increasingly complex and detailed and have become the subject of enhanced regulatory supervision, requiring businesses to invest in improved systems, sophisticated monitoring and skilled compliance personnel. The FCA and other regulatory authorities may from time to time make enquiries of companies within their respective jurisdictions regarding compliance with regulations governing the operation of a regulated business (including the degree and sufficiency of supervision of the business) or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive.

Financial crime is continually evolving, and the expectations of regulators are increasing. This requires similarly proactive and adaptable responses from Investec so that it is able to effectively deter threats and criminality, in particular in certain of the emerging markets jurisdictions where Investec operates and undertakes investment activities. Even known threats can never be fully eliminated, and there may in the future be instances where Investec may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, Investec relies on its employees, external administrators and certain other third-party service providers to identify and report such activities. There is a risk that they will fail to do so or otherwise fail to comply with or implement Investec's policies and procedures relating to financial crime.

Where Investec is unable to comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties, including requiring a complete review of business systems, day-to-day supervision by external consultants and ultimately the revocation of regulatory authorisations and licences. Globally, anti-money

laundering and financial crime compliance is expected to remain a key regulatory priority from a supervisory and enforcement perspective. In the EU, the Fifth Money Laundering Directive came into effect on 9 July 2018 and must be transposed by EU member states by 10 January 2020. The directive introduces amended requirements relating to the identification of politically exposed persons and the ongoing monitoring of existing customers. The UK adopts a risk-based approach to anti-money laundering obligations. Accordingly, the level of customer due diligence to be conducted as well as the internal controls and policies of Investec will be dependent upon the particular financial crimes risks applicable to Investec's business operations. Such risk and probability of occurrence must be accurately determined. Similar regulatory principles apply in other jurisdictions in which Investec operates. The reputational damage to Investec's business and global brand could be severe if it were found to have breached anti-money laundering or sanctions requirements. Investec's financial position and reputation could also suffer if it were unable to protect customers or prevent the business from being used by criminals for illegal or improper purposes.

Investec cannot guarantee that its current policies and procedures are sufficient to completely prevent situations of fiscal evasion, money laundering, bribery, fraud or corruption, including actions by Investec's employees, for which Investec might be held responsible. Any such event may have severe consequences, including sanctions, fines and reputational consequences, which could have a material adverse effect on Investec's business, financial condition, operating results and prospects.

Investec faces potential liability in relation to historical involvement in German dividend tax arbitrage transactions

Investec has been notified by the Office of the Public Prosecutor in Cologne, Germany, that it and certain of its current and former employees may be involved in possible charges relating to historical involvement in German dividend tax arbitrage transactions (known as cum ex transactions). Investigations are ongoing and no formal proceedings have yet been issued. Investec is cooperating with the German authorities and is conducting its own internal investigation into the matters in question. There are factual issues to be resolved which may have legal consequences including financial penalties.

Regulatory authorities or customers may attempt to seek redress against Investec where it is alleged that products were misrepresented, mis-sold or otherwise failed to meet regulatory requirements or customer expectations

Investec is exposed to the risk of regulatory action or claims from customers regarding misleading information. For example, regulators or customers could allege that the terms and conditions of relevant products or solutions, the nature of the products or solutions, or the circumstances under which the products or solutions were recommended, were misrepresented or the products otherwise mis-sold to them.

Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care which they are owed has been breached. For example, regulators or clients could allege that investment decisions for discretionary portfolios do not properly match investments to objectives or adequately balance risk against performance, leading to inappropriate risk exposure for customers, financial loss or reputational damage.

These issues or disputes arising in relation to private individuals that cannot be resolved privately may be resolved ultimately by an enforcement action involving the relevant regulatory body, including the Financial Ombudsman Service or the FCA in the UK, or by litigation. The relevant regulator may intervene directly where larger groups or matters of public policy are concerned. There have been several industry-wide financial product mis-selling issues in the past in which the regulator in the UK has intervened directly, including the sale of personal pensions, the sale of mortgage-related endowments, investments in split capital investment trusts and the sale of payment protection insurance. Certain designated consumer bodies are also empowered under FSMA to make "super-complaints" to the FCA in relation to issues causing detriment to large numbers of consumers.

Investec may be exposed, in particular, to risks relating to "vulnerable customers" as defined by the FCA. If Investec does not have adequate policies to identify vulnerable customers, or if such policies are not embedded in a way that promotes the fair treatment of all customers, Investec could fall below regulatory expectations in this area, which could result in regulatory action.

Failure to comply with regulatory requirements could lead to enforcement or other actions being brought against Investec, which could have a material adverse effect on its business, financial condition, operating results and prospects.

Negligent or fraudulent actions by Investec's personnel could lead to regulatory claims or reputational damage

Investec is exposed to risk from potential non-compliance by its staff with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of financial institutions have suffered material losses due to the actions of "rogue traders" and other employees. Although Investec takes precautions to prevent and detect misconduct by its employees, such as hiding unauthorised activities, carrying out improper or unauthorised activities on behalf of customers or improper use of confidential information or funds, it is not always possible to deter or prevent employee misconduct, and the precautions Investec takes to detect and prevent these activities may not always be effective. Given Investec's high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Failure by Investec to identify, prevent or manage employee misconduct, or any inadequacy of Investec's internal processes or systems in detecting or containing such risks, could adversely affect Investec's reputation and have a material adverse effect on its business, financial condition, operating results and prospects.

Investec may be subject to regulatory action or financial penalties if it fails to comply with the CASS rules

As part of the UK Investec business holds and controls client money and safe custody assets, it must comply with the FCA's CASS rules. The CASS requirements help to protect clients' assets and money when a firm is responsible for them and helps to ensure that client assets and money could be returned within a reasonable timeframe in the event of a firm's insolvency. Client money and asset protection remains at the core of the FCA's agenda, and larger firms (such as those within Investec) are therefore required to submit monthly Client Money and Asset Returns to the FCA to provide key data in relation to CASS processing. This enables the FCA to oversee firms' CASS processing and to discuss any potential areas of concern. Adherence to CASS requirements relies on a number of complex operational processes and systems, both internal and external, resulting in a high inherent risk of non-compliance. Any CASS breaches are reported to the FCA, including as part of the firms' annual external CASS audit, and the FCA would be immediately notified of any material breaches. If any such breaches were not fully remediated, or the FCA considered Investec does not have sufficient regard for the protection of clients' assets and money, Investec may be subject to regulatory action or financial penalties, which could also result in adverse publicity and reputational damage, and ultimately have a material adverse effect on Investec's business, financial condition, operating results and prospects.

Levies under the Financial Services Compensation Scheme could be increased

The UK Financial Services Compensation Scheme ("FSCS"), the UK's statutory fund of last resort, provides compensation to customers of UK authorised financial institutions in the event that an institution which is a participating member of the FSCS is unable, or is likely to be unable, to pay claims against it. The FSCS raises annual levies from participating members to meet its management expenses and compensation costs. Individual participating members make payments based on their level of participation (in the case of deposits, the proportion that their protected deposits represent of total protected deposits) at 31 December of the year preceding the scheme year. Investec Bank plc is a participating member of the FSCS and the bank accrues for its share of levies that will be raised by the FSCS.

At the date of this document, it is not possible to estimate whether there will ultimately be additional levies on the industry, the level of Investec's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

Compliance risks and potential liability in relation to MiFID II

MiFID II forms the legal framework governing the requirements applicable to investment firms, trading venues, data reporting service providers and third-country firms providing investment services or activities in the European Union. The framework, which came into force on 3 January 2018, imposes additional requirements in respect of transparency in trades and product manufacturing and distribution and

establishes a harmonised EU regime for non-discriminatory access to trading venues, clearing counterparties and benchmarks for trading and clearing purposes. The framework has increased the role and supervisory powers of regulators and establishes powers to prohibit or restrict the marketing and distribution of certain financial products. In 2020, the European Securities and Markets Authority is scheduled to review MiFID II to identify prospective developments or amendments where future change may occur (this review is not expected to introduce changes in 2020), including in relation to consistency in the application of MiFID II for secondary markets, the performance and cost of retail investment products, and the application of requirements in relation to investor protection and intermediaries. As a result of this increased oversight, and the continued development of market practice and interpretation of certain requirements, there is a risk that activities under MiFID II could give rise to unforeseen compliance costs for Investec. Such changes have led to an increase in administrative and compliance costs and a reduction in income. In addition, failure to comply with MiFID II requirements could lead to enforcement action by the FCA, which could have a material adverse effect on Investec's business, financial condition, operating results and prospects.

Legal liability

Investec faces significant legal risks, and the volume and amount of damages claimed in litigation against financial intermediaries generally is increasing. These risks include potential liability under securities or other laws for materially false or misleading statements made in connection with the sale of securities and other transactions, potential liability for advice Investec provides to participants in corporate transactions and disputes over the terms and conditions of complex trading arrangements. Investec also faces the possibility that counterparties in complex or risky trading transactions will claim that Investec improperly failed to inform them of the risks or that they were not authorised or permitted to enter into these transactions with Investec and that their obligations to Investec are not enforceable.

In those parts of Investec's business that are focused on the provision of portfolio management and stockbroking services, Investec is exposed to claims that it has recommended investments that are inconsistent with a client's investment objectives or that it has engaged in unauthorised or excessive trading, including in connection with split capital investment trusts. Investec is also exposed to claims from dissatisfied customers as part of the increased trend of performance-related litigation, for example, in association with its operations relating to the provision of wealth management advice. Investec may also be subject to claims arising from disputes with employees for, among other things, alleged discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Liability resulting from any of the foregoing or other claims could have a material adverse effect on Investec's results of operations and financial condition.

These issues require Investec to deal appropriately with, inter alia, potential conflicts of interest; legal and regulatory requirements; ethical issues; anti-money laundering laws or regulations; privacy laws; information security policies; sales and trading practices; and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to Investec, with an increase in the number of litigation claims and the amount of damages asserted against Investec, or subject Investec to regulatory enforcement actions, fines, penalties or reputational damage.

Applicable Bank Resolution Powers

The Issuer, as the parent company of a UK bank (Investec Bank plc), is subject to the Banking Act 2009 (the "**Banking Act**") which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulatory Authority and the United Kingdom Financial Conduct Authority (each a "**relevant Authority**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. The Banking Act implements the provisions of Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include Notes issued by the Issuer under the Programme), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group

undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

The powers granted to the relevant Authority include (but are not limited to) a "write-down and conversion of capital instruments" power and a "bail-in" power.

The write-down and conversion of capital instruments power may be used where the relevant Authority has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments is required (however the use of the write-down power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down effected using this power must reflect the insolvency priority of the written-down claims – thus common equity must be written off in full before subordinated debt is affected. Where the write-down and conversion of capital instruments power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments power is not subject to the "no creditor worse off" safeguard.

The bail-in power gives the relevant Authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution or its holding company, and/or to convert certain debt claims (which could be amounts payable under the Notes) into another security, including ordinary shares of the surviving entity, if any. The Banking Act requires the relevant Authority to apply the "bail-in" power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant Authority must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims (which may include the Notes).

Although the exercise of bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant Authority would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Notes). Moreover, as the relevant Authority may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities.

As well as a "write-down and conversion of capital instruments" power and a "bail-in" power, the powers of the relevant Authority under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant Authority power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The European Commission has published a proposal for two Directives amending the BRRD, including amendments to ensure that certain additional instruments could be written down or converted into equity where the resolution group entity (which itself is not a resolution entity) that issues them reaches the point of non-viability, as well as amendments to give the relevant Authority the power to suspend payments including when this is needed for the effective application of one or more resolution tools. The proposed Directives have not yet been adopted so the final text of the Directives may still change.

The exercise by the relevant Authority of any of the above powers under the Banking Act (including especially the bail-in power) could lead to the holders of the Notes losing some or all of their investment. Moreover, trading behaviour in relation to the securities of the Issuer (including the Notes), including market prices and volatility, may be affected by the use or any suggestion of the use of these powers and

accordingly, in such circumstances, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant Authority or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Notes, the market value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

Although the BRRD also makes provisions for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant Authority has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Notes will benefit from such support even if it were provided.

Change in substance or interpretation of tax law

Investec is subject to the substance and interpretation of tax laws in all countries in which it operates. A number of double taxation agreements entered into between countries also affect the taxation of Investec.

Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for not complying as required with tax laws. Action by governments to increase tax rates or to impose additional taxes would reduce the profitability of Investec. Revisions to tax legislation or to its interpretation might also result in higher tax liability. If Investec's tax liability increases, as a result of actions by governments, the introduction of new legislation or otherwise, its business, operating results, financial condition and prospects could be materially adversely affected.

Compliance with FATCA

Under sections 1471 through 1474 of the US Internal Revenue Code of 1986, as amended (the "**Revenue Code**") commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**"), Investec is subject to the FATCA reporting regime, which may lead to a compliance risk. Some countries (including the UK) have entered into, and other countries are expected to enter into, intergovernmental agreements with the United States to facilitate the reporting of information required under FATCA. Intergovernmental agreements often require financial institutions in those countries to report information on their US account-holders to the taxing authorities of those countries, which will then pass the information on to the US Internal Revenue Service (the "**IRS**"). Various companies in Investec are financial institutions for purposes of FATCA and the intergovernmental agreement between the United States and the UK. While the Directors believe Investec has taken all necessary steps to comply with FATCA and any legislation implementing the intergovernmental agreement between the United States and the UK, if Investec is deemed not to be FATCA compliant, it could face certain withholding penalties, which may lead to reputational damage, regulatory fines, loss of market share, financial losses and legal risk.

B) Risks related to the structure of the Notes

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Discretion of Calculation Agent

If a Calculation Agent is appointed in respect of a Series of Notes, the Calculation Agent will have the sole discretion to determine (subject to the Conditions) the rate of interest in respect of Floating Rate Notes.

Accordingly, if the Calculation Agent fails to perform (if required) any of its duties or commits any errors or omissions when carrying out any such duties, the return on the Notes may be adversely affected and may be less than it might otherwise have been.

Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Trustee and the holders of the relevant Notes.

The Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes. Accordingly, certain conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.

Floating Rate Notes – regulation and reform of Benchmarks

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") entered into force on 30 June 2016 and the majority of its provisions have applied since 1 January 2018. The Benchmarks Regulation applies to "administrators" of, "contributors" to and "users" of "benchmarks" in the EU. Among other things, the Benchmarks Regulation: (i) requires EU benchmark administrators to be authorised or registered by a national regulator (unless an exemption applies); (ii) provides that in order to be used by supervised entities in the EU, a non-EU benchmark must be qualified for use in the EU under the third-country regime (through equivalence, recognition or endorsement) and comply with extensive requirements in relation to the administration of the non-EU benchmark; and (iii) bans the use by "supervised entities" of: (a) EU "benchmarks" whose administrators are not authorised or registered; and (b) non-EU "benchmarks" that are not qualified for use in the EU under the third-country regime.

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmarks" such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (including securities or OTC derivatives traded on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a "systematic internaliser"), certain financial contracts and investment funds. Different types and categories of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The Benchmark Regulation, together with other international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Notes linked to a "benchmark". Such reforms could result in changes to the manner of administration of "benchmarks", with the result that such "benchmarks" may perform differently than in the past (and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level) or may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks" leading to their disappearance.

A "Benchmark Event" (as defined in the Conditions) may occur in relation to the Notes (other than in respect of Notes linked to SOFR in a number of scenarios, including:

- upon the elimination or potential elimination of any benchmark (such as LIBOR which is expected to cease to be published at the end of 2021);
- where the administrator of a benchmark does not obtain authorisation/registration or is not able to rely on one of the regimes available to non-EU benchmarks;
- changes in the manner of administration of certain benchmarks; and/or

- certain other events determined by the Issuer in accordance with the Conditions to constitute Benchmark Events.

The occurrence of a Benchmark Event in relation to the Notes could require or result in an adjustment to the interest provisions of the Conditions as determined by an Independent Adviser or the Issuer (as further described in the Conditions), or result in other consequences, in respect of any Notes linked to the relevant benchmark in relation to which a Benchmark Event has occurred.

The circumstances which can lead to the trigger of a Benchmark Event are beyond the Issuer's control and the subsequent use of an Alternative Reference Rate following such Benchmark Event may result in changes to the Conditions and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Notes if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if an Independent Adviser appointed by it fails to determine an Alternative Reference Rate in accordance with the Conditions, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Reference Rate, if applicable. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to risk free rates such as the Sterling Overnight Index Average ("SONIA") and the Secured Overnight Financing Rate ("SOFR") as reference rates in the capital markets as alternative to the relevant interbank offered rates. In particular, market participants and relevant working groups are exploring alternative reference rates based on, among others, SONIA and SOFR (which seek to measure the market's forward expectation of such rates over a designated term).

The Issuer has no control over its determination, calculation or publication of SONIA or SOFR. There can be no guarantee that such rates will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of Noteholders of Notes linked to the relevant rate. If the manner in which SONIA or SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

In relation to SOFR such change or discontinuation may result in the rate applicable to the Notes being replaced with a successor or equivalent rate selected or recommended by the relevant governmental body or an overnight funding rate. In relation to SONIA such change or discontinuation may result in the application of a fallback rate in accordance with the relevant Conditions as they apply to SONIA, or may constitute a Benchmark Event (as further described above in the risk factor entitled "*Floating Rate Notes – regulation and reform of Benchmarks*").

Where a replacement rate is determined in relation to the Conditions relating to SONIA, the Issuer may be entitled to make conforming changes to the Conditions relating to the calculation and determination of interest to give effect to such replacement rate in a manner that may be materially adverse to the interests of Noteholders. If it is not possible to determine a successor or equivalent rate, the floating interest rate on the Floating Rate Notes may accrue at the same rate as the immediately preceding Interest Period (or, in the case of the initial Interest Period, the initial Interest Rate), effectively converting the floating rate instrument into fixed rate instruments.

The market or a significant part thereof (including the Issuer) may adopt an application of SONIA and/or SOFR that differs significantly from that set out in the Conditions (including in relation to fallbacks in the event that such rates are discontinued or fundamentally altered) and used in relation to the Notes referencing SONIA and/or SOFR issued under this Programme.

Since SONIA and SOFR are a relatively new market indices, Notes linked to such rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SONIA or SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SONIA or SOFR may be lower than those of later-issued indexed debt securities as a result.

Interest on Notes which reference SONIA or SOFR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference such rates to reliably estimate the amount of interest that will be payable on such Notes.

In addition, the manner of adoption or application of SONIA and SOFR rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing SONIA or SOFR. Investors should consider these matters when making their investment decision with respect to any such Notes.

C) Risks related to the Early Redemption of the Notes

Risk of early redemption

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events or following an Event of Default.

Early redemption may result in Noteholders receiving a lower return on investment and in some circumstances may result in a loss of part or all of their investment. Prospective investors should consider reinvestment risk in light of other investments available at that time.

If the applicable Final Terms specifies that the early redemption amount or optional early redemption amount of each Note will be the fair market value of that Note, then such early redemption amount shall be such Note's *pro rata* share of an amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption with reference to the existing market factors as the Calculation Agent considers appropriate, adjusted to account fully for any reasonable expenses and costs of the Issuer of unwinding, liquidating, obtaining or re-establishing any underlying and/or related hedging, trading positions and funding arrangements. Such fair market value may be less than the amount originally invested by the investor.

Notes subject to optional early redemption

An optional early redemption feature in favour of the Issuer of Notes (call option) is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Noteholders should note that a call option creates uncertainty for investors, as to whether the Notes will remain outstanding until maturity.

If the applicable Final Terms specifies that an Issuer Call Option is applicable then, upon exercise of such option, the relevant Notes will be redeemed at their Optional Redemption Amount which may be at par (plus any accrued interest) or at their fair market value or another amount, as specified in the applicable Final Terms.

The Issuer may be expected to exercise its call option and redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

D) Risks related to Legal Framework of Notes

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings to consider matters generally affecting the interests of Noteholders. Defined majorities are capable of binding all Noteholders with respect to matters considered at such meetings, including Noteholders who did not attend or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders or (iii) the substitution of a company other than the Issuer as principal debtor under any Notes provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes are varied against their will, which may result in an investment in any Notes becoming less advantageous to a particular Noteholder depending on individual circumstances.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

In particular, in light of the United Kingdom's exit from the EU ("**Brexit**"), there could be significant changes to those EU laws applicable in the United Kingdom. While Brexit does not in and of itself affect the validity of the Banking Act (through which the BRRD is implemented) and other relevant legislative measures implementing EU directives will be preserved, and EU regulations have been on-shored (with amendments) pursuant to the European Union (Withdrawal) Act 2018, it is possible that subsequent changes in law affecting the rights of Noteholders could take place following the end of the transition period (expected to end on 31 December 2020) (the "**Transition Period**").

Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes may be varied, which may result in an investment in any Notes becoming less advantageous.

E) Risks related to the Market generally

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Illiquidity may have a severely adverse effect on the market value of Notes.

Accordingly, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, commissions paid by the Issuer or the Dealer and the financial condition of the Issuer. Although application has been made for Notes issued under the Programme to be admitted to the Official List of the FCA and to trading on the Main Market of the London Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will

develop or that any listing or admission to trading will be maintained. Accordingly, investors may not be able to sell their Notes prior to maturity.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.

An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above or other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Accordingly, an investor may suffer losses if the credit rating assigned to any Notes does not reflect the true creditworthiness of such Notes.

The value of the Notes may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by such ratings. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Notes.

OVERVIEW

This overview is as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any information incorporated by reference.

Words and expressions defined in "Terms and Conditions of the Notes" and "Summary of Provisions relating to the Notes while in Global Form" below shall have the same meaning when used in this description.

Issuer:

Investec plc

The Issuer was a private limited company with limited liability incorporated on 17 September 1998 under the Companies Act 1985 and registered in England and Wales under registered number 03633621 with the name Regatta Services Limited. Since then it has undergone a change of name to Investec Limited on 24 November 2000, and re-registered as a public limited company under the name of Investec plc on 7 December 2000. It is currently incorporated under the name Investec plc.

The Issuer is part of an international banking group with operations in three principal markets: the United Kingdom and Europe, South Africa and Asia/Australia.

The Issuer is the holding company of its corporate group, whose business consists of 'Wealth & Investment and Specialist Banking'. For more information, see 'Information about the Issuer'.

Risk Factors:

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in the sections headed "*Risk Factors*" on pages 1 to 27 above and include the following:

Risks related to the Issuer: The value of the Notes may be affected by, *inter alia*, the ability of the Issuer to meet its obligations under the Notes.

Risks related to the Early Redemption of the Notes. In certain circumstances the Notes may redeem early and in such event the redemption proceeds received by Noteholders may be less than the amount invested by such Noteholders.

Risks relating to the Legal Framework of the Notes: The value of the Notes may be affected by, *inter alia*, the occurrence of certain tax events or a change of law.

Risks related to the Market generally: There may be no secondary market in the Notes. Investors with financial activities denominated predominantly in a currency other than the Specified Currency will be exposed to exchange rate risks. Any credit rating assigned to the Notes may affect the market value of such Notes and may not reflect all risks in respect of such Notes.

Description:

£1,000,000,000 Euro Medium Term Note Programme

Size:	Up to £1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger and Dealer:	Investec Bank plc The Issuer may from time to time appoint dealers in respect of one or more Tranches. References in this Base Prospectus to " Dealers " are to such persons that are appointed as dealers in respect of one or more Tranches.
Trustee:	Deutsche Trustee Company Limited
Issuing and Paying Agent:	Deutsche Bank AG, London Branch
Registrar in respect of the Registered Notes:	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the " Final Terms ").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form only (" Bearer Notes ") in bearer form exchangeable for Registered Notes (" Exchangeable Bearer Notes ") or in registered form only (" Registered Notes "). Registered Notes will not be exchangeable for Bearer Notes. Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in " Selling Restrictions " below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as " Global Certificates ".
Clearing Systems:	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and any relevant Dealer.

Initial Delivery of Notes:	<p>On or before the issue date for each Tranche, if the relevant Global Note is a New Global Note "NGN" or the relevant Global Certificate is to be held under the New Safekeeping Structure ("NSS"), the Global Note or the Global Certificate, as the case may be, will be delivered to a Common Safekeeper and registered in the name of such Common Safekeeper (or its nominee) for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not intended to be held under the NSS, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and any relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.</p>
Currencies:	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and any relevant Dealer.</p>
Maturities:	<p>Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 30 years.</p> <p>Any Notes having a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer.</p>
Specified Denomination:	<p>Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note (i) will not be less than €100,000 (or its equivalent in any other currency) and (ii) will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.</p> <p>If the Notes are issued in the form of a temporary Global Note which is exchangeable for definitive Bearer Notes, the Notes shall be issued only in denominations which are integral multiples of the lowest Specified Denomination.</p>
Fixed Rate Notes:	<p>Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.</p>
Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p>

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or

(ii) by reference to LIBOR, EURIBOR, Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR (as may be specified in the relevant Final Terms) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:

Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.

Redemption:

The relevant Final Terms will specify the basis for calculating the redemption amounts payable.

Redemption by Instalments:

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Optional Redemption:

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Status of Notes:

The Notes will constitute senior, unsubordinated and unsecured obligations of the Issuer as described in "*Terms and Conditions of the Notes – Status*".

Negative Pledge:

Not applicable.

Cross Default:

Not applicable.

Ratings:

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Early Redemption:

Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons or upon the occurrence of a hedging disruption. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".

Withholding Tax:

All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of taxes imposed by the United Kingdom, unless required by law. In the event that any such withholding or

deduction is made, the Issuer will be required to pay additional amounts, subject to customary exceptions.

Governing Law:

English.

Listing and Admission to Trading:

Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, Guernsey, the United Kingdom and South Africa, see "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

Bearer Notes that have a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) ("**TEFRA D**") unless (i) the relevant Final Terms states that "**TEFRA C**" is applicable, in which case the Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Use of proceeds:

The net proceeds from each issue of Notes will be used for the general financing purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

Presentation of financial information

The Issuer (i.e. Investec plc) and Investec Limited are two separate legal entities which together constitute the Investec Group and operate under a dual listed companies ("**DLC**") structure. The effect of the DLC structure is that the Issuer and its subsidiaries and Investec Limited and its subsidiaries operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS. Combined financial statements have been prepared on this basis. These combined financial statements are prepared in accordance with IFRS and are contained in the Investec Group's "integrated" annual reports, together with the unconsolidated balance sheet of the Issuer only, prepared in accordance with Financial Reporting Standard 101 under UK generally accepted accounting principles ("**UK GAAP**").

The Issuer also prepares consolidated financial statements to present the financial position and results of Investec plc and its subsidiaries alone as if the contractual arrangements which create the DLC structure did not exist. These financial statements are referred to below as the consolidated financial statements and accounts "of the Issuer" and are contained in a separate annual report that is called the "Investec plc silo" annual report, in contrast to the Investec Group integrated annual report.

The unconsolidated financial information contained at pages 262-271 of the Investec plc silo annual report and accounts for the year ended 31 March 2019 and pages 256-264 of the Investec plc silo annual report and accounts for the year ended 31 March 2018 and the unconsolidated financial information of the Issuer contained at pages 158-167 of the Investec Group's integrated annual report (volume three) for the year ended 31 March 2019 and pages 132-141 of the Investec Group's integrated annual report (volume three) for the year ended 31 March 2018 are prepared in accordance with UK GAAP.

References in the consolidated financial statements and accounts of the Issuer to the "group", are to Investec plc and its subsidiaries and references in the Investec Group's integrated annual reports to the "group" are to the Investec Group.

Further information about the Investec Group and the DLC structure that the Issuer operates under together with Investec Limited is to be found in the section entitled "Information about the Issuer". It should, however, be noted that the Notes are obligations solely of Investec plc and are not in any way guaranteed by Investec Limited or any other entity.

Incorporation by reference

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Base Prospectus:

- (i) the annual report (including the auditor's report and audited consolidated annual financial statements) of the Issuer for the year ended 31 March 2019 (i.e. the Investec plc silo annual report and accounts);
- (ii) the annual report (including the auditor's report and audited consolidated annual financial statements) of the Issuer for the year ended 31 March 2018 (i.e. the Investec plc silo annual report and accounts);
- (iii) volume three (entitled "**Annual Financial Statements**") of the Investec Group's integrated annual report for the year ended 31 March 2019 containing combined financial statements of the Investec Group, the auditor's report, the unconsolidated balance sheet of Investec plc and shareholder information;
- (iv) volume three (entitled "**Annual Financial Statements**") of the Investec Group's integrated annual report for the year ended 31 March 2018 containing combined financial statements of the Investec Group, the auditor's report, the unconsolidated balance sheet of Investec plc and shareholder information;

- (v) the unaudited consolidated interim financial information for the six months ended 30 September 2019 (the "**Unaudited September 2019 Financial Information**") (i.e. the Investec plc silo financial information);
- (vi) the terms and conditions set out on pages 31 to 53 of the prospectus dated 5 December 2018 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2018 Conditions**");
- (vii) the terms and conditions set out on pages 30 to 51 of the prospectus dated 28 July 2017 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2017 Conditions**");
- (viii) the terms and conditions set out on pages 25 to 46 of the prospectus dated 30 March 2016 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2016 Conditions**");
- (ix) the terms and conditions set out on pages 26 to 46 of the prospectus dated 19 March 2015 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2015 Conditions**"); and
- (x) the terms and conditions set out on pages 28 to 48 of the prospectus dated 6 February 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2015 Conditions**").

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The documents incorporated by reference in this Base Prospectus shall not include any documents which are themselves incorporated by reference in such incorporated documents ("daisy chained" documents). Such daisy chained documents shall not form part of this Base Prospectus. Where only part of the documents listed above have been incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Base Prospectus. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from (i) the registered office of the Issuer and from the specified offices of the Issuing and Paying Agent and (ii) in the case of the Investec Group's integrated annual reports, the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>, and, in the case of the Issuer's annual reports and accounts and interim financial statements, https://www.investec.com/en_gb/welcome-to-investec/about-us/investor-relations/financial-information/subsidiary-results.html

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare and publish a supplement to this Base Prospectus or prepare and publish a new base prospectus for use in connection with any subsequent issue of Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions (the "Terms and Conditions" or the "Conditions") that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a Trust Deed dated 6 February 2014 and most recently amended and restated on or about 31 March 2020 (as amended, restated, modified or supplemented as at the date of issue of the Notes (the "**Issue Date**") or from time to time) (the "**Trust Deed**") between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement dated on or about 6 February 2014 (as amended, restated, modified or supplemented as at 5 December 2018 or from time to time) (the "**Agency Agreement**") has been entered into in relation to the Notes between the Issuer, the Trustee, Deutsche Bank AG, London Branch, as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") in each case in the Specified Denomination(s) set out in the relevant Final Terms. All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note or a combination of the foregoing, depending upon the Interest and Redemption/Payment Basis specified in the relevant Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in

relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon 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 it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. **Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

- (a) **Exchange of Exchangeable Bearer Notes:** Subject as provided in Condition 2(f) (*Closed Periods*), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; **provided, however, that** where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b) (*Payments and Talons – Registered Notes*)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), 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 Registered Notes 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. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to

a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions (a) (*Exchange of Exchangeable Bearer Notes*), (b) (*Transfer of Registered Notes*) or (c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(f) (*Redemption at the Option of Noteholders*)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice 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 the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d) (*Delivery of New Certificates*), "**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).
- (e) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax, stamp duty, stamp duty reserve tax or other transfer tax or duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(e) (*Redemption at the Option of the Issuer*), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. **Status**

The Notes and the Receipts and the Coupons relating to them constitute, direct, unconditional, unsubordinated and, unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.

4. **Interest and other Calculations**

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f) (*Calculations*) below.
 - (i) *Instalment Notes:* in respect of Fixed Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, the Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, the interest payable in respect of the Interest Period in which such Instalment Date (or, if later, the Relevant Date in respect of such Instalment Amount) falls shall be calculated as follows:

- (a) in respect of the period from (and including) the Interest Payment Date (or Interest Commencement Date) immediately preceding the first Instalment Date (or, if later, Relevant Date in respect of the relevant Instalment Amount) falling in the Interest Period (the "**First Instalment Date**") to (but excluding) the First Instalment Date interest shall be calculated in accordance with the provisions of this Condition 4(a) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and
- (b) in respect of any period from (and including) an Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) (the "**Initial Instalment Date**") to (but excluding) the earlier of (i) the Interest Payment Date following the Initial Instalment Date or (ii) a further Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falling in the same Interest Period, interest shall be calculated in accordance with the provisions of this Condition 4(a) on the basis of the outstanding nominal amount as adjusted following the Initial Instalment Date.

(b) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f) (*Calculations*). Such Interest Payment Date(s) is/are either specified in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, depending upon which is specified to apply in the relevant Final Terms.

(A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the Designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

- (B) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR

Where Screen Rate Determination for Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and either LIBOR or EURIBOR are specified as being the Reference Rate in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (a) If the Relevant Screen Page is not available or if sub-paragraph (1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Reference Bank Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (b) If sub-paragraph (a) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Calculation Agent (at the request of the Reference

Bank Agent) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent (at the request of the Reference Bank Agent) with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent (at the request of the Reference Bank Agent) it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

The Issuer (acting in good faith and a commercially reasonable manner) shall, where necessary, act as or otherwise appoint a third party to act as Reference Bank Agent in relation to the Notes to request any relevant quotations and/or rates from the Reference Banks be provided to the Calculation Agent for the purposes of Condition 4(b)(iii)(B)(a) and 4(b)(iii)(B)(b)

(C) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR

(a) Compounded Daily SONIA

Where Screen Rate Determination for Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and Compounded Daily SONIA is specified as being the Reference Rate in the relevant Final Terms, the Rate of Interest for each Interest Period will be the aggregate of Compounded Daily SONIA and the below-mentioned Margin (if any) above or below Compounded Daily SONIA.

Where:

"Compounded Daily SONIA" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as follows, and

the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

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

Where:

"**d**" means, in relation to any Interest Period, the number of calendar days in such Interest Period;

"**d₀**" means, in relation to any Interest Period, the number of London Banking Days in such Interest Period;

"**i**" means, in relation to any Interest Period, a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from (and including) the first London Banking Day in such Interest Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" means, in relation to any London Banking Day "i", the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

"**Observation Period**" means, in relation to an Interest Period, the period from (and including) the date which is "p" London Banking Days prior to the first day of such Interest Period and ending on (but excluding) the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Note becomes due and payable);

"**p**" means the whole number specified as the Observation Look-back Period in the relevant Final Terms, such number representing a number of London Banking Days, provided that "p" shall not be less than five London Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five London Banking Days;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or (in the case of any Relevant Screen Page) such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**SONIA rate**" means, in relation to any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"SONIA_{i-pLBD}" means, in relation to any London Banking Day "i" falling in the relevant Interest Period, the SONIA rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i";

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Subject to the provisions of Condition 4(b)(vi) (*Alternate Reference Rates*):

(X) Notwithstanding the paragraphs above, if the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions, the Trust Deed or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Rate of Interest, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions, the Trust Deed and the Agency Agreement. No consent of the Noteholders or of the Couponholders shall be required in connection with effecting any amendment or modification in accordance with the foregoing, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required).

(Y) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(C)(a), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(b) Compounded Daily SOFR

Where Screen Rate Determination for Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and Compounded Daily SOFR is specified as being the Reference Rate in the relevant Final Terms, the Rate of Interest for each Interest Period will be the aggregate of Compounded Daily SOFR and the below-mentioned Margin (if any) above or below Compounded Daily SOFR.

Where:

"**Compounded Daily SOFR**" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with SOFR as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

"**d**" means, in relation to any Interest Period, the number of calendar days in such Interest Period;

"**d₀**" means, in relation to any Interest Period, the number of U.S. Government Securities Business Days in such Interest Period;

"**i**" means, in relation to any Interest Period, a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in such Interest Period;

"**n_i**" means, in relation to any U.S. Government Securities Business Day "i", the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day; and

"**SOFR_i**" means, in relation to any Interest Period and any U.S. Government Securities Business Day "i":

- (A) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (B) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period;

"**Federal Reserve's Website**" means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

"London Banking Day" or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website;

"OBFR Index Cessation Effective Date" means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (A) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily Overnight Bank Funding Rate;
- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the daily Overnight Bank Funding Rate; or
- (C) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"SIFMA" means the Securities Industry and Financial Markets Association or any successor thereto;

"SOFR" means:

- (A) in relation to any U.S. Government Securities Business Day (the **"SOFR Determination Date"**), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (B) if the rate specified in (A) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S.

Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or

- (C) if the rate specified in (A) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred (as determined by the Issuer and notified to the Issuing and Paying Agent and the Calculation Agent), **SOFR** in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); **provided, however, that**, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:

- (1) subject to (2) below, "**SOFR**" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (A) or (B) above (as applicable) but as if:

(aa) references in this paragraph 4(b)(iii)(C)(b) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "d₀" shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly);

(bb) references to "daily Secured Overnight Financing Rate" were to the daily Overnight Bank Funding Rate;

(cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and

(dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and

- (2) if the rate specified in (1) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred (as determined by the Issuer and notified to the Issuing and Paying Agent and the Calculation Agent), then, in

relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "**SOFR**" shall be equal to the rate determined in accordance with (A) above but as if:

- (aa) references in this paragraph 4(b)(iii)(C)(b) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "d₀" shall be construed so that it means the aggregate of (x) the number of U.S. Government Securities Business Days in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) the number of New York City Banking Days in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and "i" shall be construed accordingly); and
- (bb) the reference in paragraph (A) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

"SOFR Index Cessation Effective Date" means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate) ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

- (A) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that at that time there is

no successor administrator that will continue to publish or provide a daily Secured Overnight Financing Rate;

- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that at that time there is no successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or
- (C) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"SOFR Reset Date" means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day falling in the period from (and including) the date falling z London Banking prior to (but excluding) the corresponding Interest Payment Date in relation to such Interest Period (such period, the **Cut-Off Period**);

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"z" means the number of London Banking Days specified as such in the relevant Final Terms, provided that **"z"** shall not be less than five London Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five London Banking Days.

(c) **Weighted Average SOFR**

Where Screen Rate Determination for Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and Weighted Average SOFR is specified as being the Reference Rate in the relevant Final Terms, the Rate of Interest for each Interest Period will be the aggregate of Weighted Average SOFR and the below-mentioned Margin (if any) above or below Weighted Average SOFR.

Where:

"Weighted Average SOFR" means, in relation to any Interest Period, the arithmetic mean of $SOFR_i$ in effect for each U.S. Government Securities Business Day during such Interest Period (each such U.S. Government Securities Business Day, **"i"**), calculated by multiplying the relevant $SOFR_i$ for any U.S. Government Securities Business Day **"i"** by the number of days such $SOFR_i$ is in effect (being the number of calendar days from (and including) such U.S. Government Securities Business Day **"i"** up to (but excluding) the following U.S. Government Securities Business Day), determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period;

"**SOFR_i**" means, in relation to any Interest Period and any U.S. Government Securities Business Day "i":

- (A) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR in relation to the U.S. Government Securities Business Day immediately preceding such SOFR Reset Date; and
- (B) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Cut-Off Period), SOFR in relation to the U.S. Government Securities Business Day immediately preceding the last SOFR Reset Date in such Interest Period;

"**SOFR**" means:

- (A) in relation to any U.S. Government Securities Business Day (the "**SOFR Determination Date**"), the daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date;
- (B) if the rate specified in (A) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have not both occurred, the daily Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the New York Federal Reserve's Website; or
- (C) if the rate specified in (A) above is not so published, and a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have both occurred (as determined by the Issuer and notified to the Issuing and Paying Agent and the Calculation Agent), "**SOFR**" in relation to such SOFR Determination Date shall be the rate that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads); **provided, however, that**, if no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then:
 - (1) subject to (2) below, "**SOFR**" in relation to each SOFR Determination Date falling on or after the SOFR Index Cessation Effective Date shall be equal to the rate determined in accordance with (A) or (B) above (as applicable) but as if:
 - (aa) references in this paragraph 4(b)(iii)(C)(c) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR" shall be construed so that it means

the arithmetic mean of (x) SOFR_i in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR_i in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly);

- (bb) references to "daily Secured Overnight Financing Rate" were to the daily Overnight Bank Funding Rate;
- (cc) references to "SOFR Index Cessation Event" were references to "OBFR Index Cessation Event"; and
- (dd) references to "SOFR Index Cessation Effective Date" were references to "OBFR Index Cessation Effective Date"; and
- (2) if the rate specified in (1) above is not so published and an OBFR Index Cessation Event and an OBFR Index Cessation Effective Date have both occurred (as determined by the Issuer and notified to the Issuing and Paying Agent and the Calculation Agent), then, in relation to each SOFR Determination Date falling on or after the later of the SOFR Index Cessation Effective Date and the OBFR Index Cessation Effective Date, "**SOFR**" shall be equal to the rate determined in accordance with (A) above but as if:
 - (aa) references in this paragraph 4(b)(iii)(C)(c) to "U.S. Government Securities Business Day" were to "New York City Banking Day" (but so that, in the case of the Interest Period in which the SOFR Index Cessation Effective Date occurred, "Weighted Average SOFR" shall be construed so that it means the arithmetic mean of (x) SOFR_i in effect for each U.S. Government Securities Business Day in such Interest Period up to (but excluding) the SOFR Index Cessation Effective Date and (y) SOFR_i in effect for each New York City Banking Day in such Interest Period from (and including) the SOFR Index Cessation Effective Date, and the definition of "Weighted Average SOFR" shall be construed accordingly); and
 - (bb) the reference in paragraph (A) above to the "daily Secured Overnight Financing Rate published at or around 5:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date" were a reference to the short-term interest rate target set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee, as published on the Federal Reserve's Website and as prevailing on such SOFR Determination Date (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place with 0.005 being rounded upwards);

"**Federal Reserve's Website**" means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

"London Banking Day" or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"New York City Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"New York Federal Reserve's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website;

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (A) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily Overnight Bank Funding Rate;
- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Overnight Bank Funding Rate) has ceased or will cease to provide the daily Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the daily Overnight Bank Funding Rate; or
- (C) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Overnight Bank Funding Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"OBFR Index Cessation Effective Date" means, in relation to an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Overnight Bank Funding Rate) ceases to publish the daily Overnight Bank Funding Rate or the date as of which the daily Overnight Bank Funding Rate may no longer be used;

"SOFR Index Cessation Effective Date" means, in relation to a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate), ceases to publish the daily Secured Overnight Financing Rate, or the date as of which the daily Secured Overnight Financing Rate may no longer be used;

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

- (A) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a daily Secured Overnight Financing Rate;

- (B) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time there is no successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or
- (C) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

"**SOFR Reset Date**" means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day falling in the period from (and including) the date falling *z* London Banking prior to (but excluding) the corresponding Interest Payment Date in relation to such Interest Period (such period, the **Cut-Off Period**); and

"**SIFMA**" means the Securities Industry and Financial Markets Association or any successor thereto;

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**z**" means the number of London Banking Days specified as such in the relevant Final Terms, provided that "**z**" shall not be less than five London Banking Days without the prior written approval of the Calculation Agent, or if no such number is specified, five London Banking Days.

- (iv) *Instalment Notes*: in respect of Floating Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, the Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, the interest payable in respect of the Interest Period in which such Instalment Date (or, if later, the Relevant Date in respect of such Instalment Amount) falls shall be calculated as follows:
 - (x) in respect of the period from (and including) the Interest Payment Date (or Interest Commencement Date) immediately preceding the first Instalment Date (or, if later, Relevant Date in respect of the relevant Instalment Amount) falling in the Interest Period (the "**First Instalment Date**") to (but excluding) the First Instalment Date interest shall be calculated in accordance with the provisions of this Condition 4(b) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and
 - (y) in respect of any period from (and including) an Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) (the "**Initial Instalment Date**") to (but excluding) the earlier of (i) the Interest Payment Date following the Initial Instalment Date or (ii) a further Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falling in the same Interest Period, interest shall be calculated in accordance with the provisions of this Condition 4(b) on the basis of the outstanding nominal amount as adjusted following the Initial Instalment Date.
- (v) *Linear Interpolation*: Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest

Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; provided, however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

- (vi) *Alternative Reference Rates:* If Alternative Reference Rate is specified as applicable in the relevant Final Terms and any of Condition 4(b)(iii)(A) (*ISDA Determination for Floating Rate Notes*), Condition 4(b)(iii)(B) (*Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR*) or Condition 4(b)(iii)(C)(a) (*Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR - Compounded Daily SONIA*) are applicable, then notwithstanding the provisions of Condition 4(b)(iii)(A) (*ISDA Determination for Floating Rate Notes*), Condition 4(b)(iii)(B) (*Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR*) or Condition 4(b)(iii)(C)(a) (*Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR - Compounded Daily SONIA*) (as applicable) if the Issuer (in consultation with the Calculation Agent) determines that in relation to:

- (A) ISDA Determination for Floating Rate Notes, the Floating Rate Option cannot be determined in accordance with the provisions of the relevant notional interest rate transaction (or the fallbacks thereunder), or a Benchmark Event has occurred in relation to the such Floating Rate Option; or
- (B) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR or Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR where "Compounded Daily SONIA" is specified as being applicable, the Reference Rate specified in the relevant Final Terms has ceased to be published on the Relevant Screen Page as a result of such Reference Rate ceasing to be calculated or administered or a Benchmark Event has occurred in relation to the such Reference Rate,

then the Floating Rate Option and/or Reference Rate shall be determined in accordance with the following:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser who shall determine a Floating Rate Option or an alternative rate (the "**Alternative Reference Rate**") and/or, where applicable an alternative screen page or source (the "**Alternative Relevant Screen Page**") no later than five Business Days prior to the Reset Date or Interest Determination Date, as applicable relating to the next Interest Period (the "**IA Determination Cut-off Date**") for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(b)(vi));
- (B) where (A) the Reference Rate specified in the Final Terms has ceased to be published on the Relevant Screen Page or a Benchmark Event has occurred in relation to the Floating Rate Option, the Alternative Reference Rate shall be such rate as the Independent Adviser determines has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of Eurobonds denominated in the Specified Currency, or has replaced the relevant Floating Rate Option in customary market usage for the purposes of determining floating rates of interest for swap agreements referencing the Specified Currency, and (B) in each other circumstance (or where the

Independent Adviser determines that there is no such rate), such other rate as the Independent Adviser determines in its sole discretion is most comparable to the relevant Reference Rate or Floating Rate Option, and/or, where applicable, the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Reference Rate;

- (C) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine an Alternative Reference Rate and/or, where applicable an Alternative Relevant Screen Page prior to the IA Determination Cut-off Date, then the Issuer (acting in good faith and a commercially reasonable manner) shall determine which (if any) rate has replaced the relevant Floating Rate Option in customary market usage for the purposes of determining floating rates of interest for swap agreements referencing the Specified Currency, or has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of Eurobonds denominated in the Specified Currency and the Alternative Reference Rate shall be the rate so determined by the Issuer (and, if applicable, the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Reference Rate); **provided, however**, that if this Condition 4(b)(vi) applies and the Issuer is unable to determine an Alternative Reference Rate (and, if applicable, the Alternative Relevant Screen Page) prior to the date which is 5 (five) Business Days prior to the relevant Interest Determination Date relating to the next Interest Period, the Rate of Interest applicable to such Interest Period shall be equal to the sum of the Margin and the rate last determined in relation to the Notes in respect of a preceding Interest Period; for the avoidance of doubt, the proviso in this sub-paragraph (C) shall apply to the relevant Interest Period only and any subsequent Interest Periods shall be subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(b)(vi);
- (D) if an Alternative Reference Rate (and, if applicable, the Alternative Relevant Screen Page) is determined in accordance with the preceding provisions, such Alternative Reference Rate and Alternative Relevant Screen Page shall be the Floating Rate Option or Reference Rate (and, if applicable, the Relevant Screen Page) in relation to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(b)(vi));
- (E) if the Independent Adviser or, in accordance with this Condition 4(b)(vi), the Issuer determines an Alternative Reference Rate in accordance with the above provisions, the Independent Adviser or the Issuer (as the case may be) may also, following consultation with the Calculation Agent, specify changes to the Reference Banks, Relevant Screen Page, Relevant Time, Relevant Financial Centre, Day Count Fraction, Business Day Convention, Business Days and/or Interest Determination Date, Reset Dates, Designated Maturity, the notional interest rate swap transaction applicable to the Notes, and the method for determining the Rate of Interest in relation to the Notes if the Alternative Reference Rate is not available, or fewer than the required number of rates appear, on the Alternative Relevant Screen Page at any time, in order to follow market practice in relation to the Alternative Reference Rate, and shall also specify any other changes (including to the Margin) which the Issuer, following consultation with the Independent Adviser (where appointed), determines in good faith are reasonably necessary to ensure the proper operation and comparability to the Floating Rate Option or Reference Rate of the Alternative Reference Rate, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(b)(vi)) and, for the avoidance of doubt, the Trustee shall, at the direction and expense of the Issuer, and having received a certificate from the Issuer, signed by two Authorised Signatories, confirming that the Issuer or the Independent Adviser has made the relevant determinations in accordance with this Condition 4(b)(vi) and attaching the proposed amendments to the Conditions, use reasonable endeavours to effect such amendments to the Conditions together with such consequential amendments to

the Trust Deed and Agency Agreement as the Trustee may deem appropriate in order to give effect to this Condition 4(b)(vi) and the Trustee shall not be liable to any person for any consequences thereof. No consent of the Noteholders or of the Couponholders appertaining thereto shall be required in connection with effecting the Alternative Reference Rate, Alternative Relevant Screen Page, Margin or such other changes, including for the execution of any documents or the taking of other steps by the Trustee, the Issuer or any of the parties to the Agency Agreement (if required)). None of the Trustee, the Issuing and Paying Agent or the Calculation Agent be obliged to agree to any amendments which in the sole opinion of the Trustee, the Issuing and Paying Agent or the Calculation Agent (as applicable) would have the effect of (A) exposing the Trustee, the Issuing and Paying Agent or the Calculation Agent (as applicable) to any liabilities against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee, the Issuing and Paying Agent or the Calculation Agent (as applicable) in the documents to which it is a party and/or these Conditions; and

- (F) the Issuer shall promptly following the determination of any Alternative Reference Rate (and, if applicable, the Alternative Relevant Screen Page) give notice thereof and of any changes pursuant to Condition 4(b)(vi) to the Paying Agents, the Transfer Agents and the Registrar (as applicable), and to the Trustee, the Calculation Agent and the Noteholders (in accordance with Condition 15 (*Notices*)).
- (vii) *Calculation Agent instruction request:* Notwithstanding any other provision of this Condition 4(b), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(b), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability to any party for not doing so.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i) (*Early Redemption – Zero Coupon Notes*)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 7 (*Taxation*)).
- (e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Rounding:**
 - (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) (*Interest on Floating Rate Notes*) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation (if applicable) or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation (if applicable) or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii) (*Interest on Floating Rate Notes – Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation (if applicable) and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Determination or Calculation by Issuer:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period (or Interest Period, as applicable) or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Issuer (or an agent on its behalf) shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the

extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"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;

"Benchmark Event" means, in respect of a Relevant Benchmark:

- (i) the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, receivership, administration or winding-up of the administrator of the Relevant Benchmark, or the institution of proceedings relating to or analogous to any of the foregoing (as determined by the Issuer) in relation to the administrator, provided that, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (ii) the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (iii) the administrator of the Relevant Benchmark announcing that the Relevant Benchmark has been or will be permanently or indefinitely discontinued; or
- (iv) the supervisor of the administrator of the Relevant Benchmark or the administrator of the Relevant Benchmark announcing that the Relevant Benchmark may no longer be used.

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a **"TARGET Business Day"**); and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

- (vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"**Determination Date**" means the Interest Payment Date(s);

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

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

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

"**Interest Amount**" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of

Fixed Rate Notes shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms;

"Interest Determination Date" means:

- (a) with respect to a Rate of Interest and Interest Period where Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being Compounded Daily SONIA, the date specified as such in the Final Terms, or, if none is specified the day falling two (2) London Banking Days after the end of the Observation Period;
- (b) with respect to a Rate of Interest and Interest Period where Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being Compounded Daily SOFR or Weighted Average SOFR, unless otherwise agreed with the Calculation Agent and specified in Final Terms, the second London Banking Day falling in the Cut-Off Period; or
- (c) otherwise, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, or (ii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro, or (iii) the day falling two Business Days in New York for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is U.S. dollars, or (iv) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency does not fall within (i), (ii) or (iii) for the purposes of this definition;

"Interest Period" means the period beginning on and including the Interest Commencement 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 Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms;

"ISDA Definitions" means the 2006 ISDA Definitions or the 2000 ISDA Definitions, each as published by the International Swaps and Derivatives Association, Inc., as specified in the Final Terms;

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions set out in the relevant Final Terms;

"Reference Bank Agent" means the Issuer or an affiliate of the Issuer or a reputable third party financial institution (which entity may act as Calculation Agent in relation to the Notes) appointed as such by the Issuer on market standard terms;

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Reference Bank Agent.

"Reference Rate" means the rate specified as such in the relevant Final Terms;

"Relevant Benchmark" means, in relation to any Series of Notes, each Reference Rate or Floating Rate Option specified in the relevant Final Terms as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate, Swap Reference Rate or Floating Rate Option);

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms;

"Specified Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated; and

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. **Redemption, Purchase and Options**

(a) **Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 (*Redemption, Purchase and Options*), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in the relevant Final Terms, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

- (i) *Zero Coupon Notes:*
- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*), Condition 5(d) (*Redemption following Hedging Disruption*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Face Amount (calculated as provided below) of such Note unless Fair Market Value is specified as the Early Redemption Amount in the relevant Final Terms.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or Condition 5(d) (*Redemption following Hedging Disruption*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above (if applicable), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or Condition 5(d) (*Redemption following Hedging Disruption*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be such amount as is specified in the relevant Final Terms.
 - (iii) If "**Fair Market Value**" is specified as the Early Redemption Amount in the Final Terms, the Early Redemption Amount per Note shall be such Note's *pro rata* share of an amount determined in good faith and in a commercially reasonable manner by the Issuer or, following an Event of Default, the Trustee or an appointee of the Trustee to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption with reference to the existing market factors, including, but not limited to, the remaining time to maturity, the prevailing interest rate yield curve(s) and such other pricing sources and methods (which may include, without limitation, available prices for securities with similar maturities, terms and credit characteristics as the Notes) as the Issuer considers appropriate, adjusted to account fully for any reasonable expenses and costs of the Issuer of unwinding, liquidating, obtaining or re-establishing any underlying and/or related hedging, trading positions and funding arrangements (including, without limitation, any options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).
- (c) **Redemption for Taxation Reasons**: The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note) or only on an Interest Payment Date (in the case of a Floating Rate Note) on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with paragraph (b) above), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:
- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in respect of any of the Notes of such Series;

- (ii) the payment of interest in respect of any of the Notes of such Series would be a "**distribution**" for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of any of the Notes of such Series, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes of that Series and cannot be avoided by the Issuer taking reasonable steps available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in paragraph (i) above, would be treated as making distributions as referred to in paragraph (ii) above or would not be entitled to have the loss or non-trading deficit set against the profits as referred to in paragraph (iii) above were a payment in respect of the Notes of that Series then due. Upon the expiration of such notice the Issuer shall be bound to redeem such Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(c) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Directors stating that the obligation or treatment, as the case may be, referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

- (d) **Redemption following Hedging Disruption:** Unless this Condition 5(d) is specified as not applicable in the relevant Final Terms, if in relation to a Series of Notes, the Issuer determines that a Hedging Event (as defined below) has occurred, and for as long as a Hedging Event is continuing, the Issuer, having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"Hedging Event" means the occurrence of either of the following events or circumstances arising due to any reason (including but not limited to the adoption of, application of or change of any applicable law or regulation after the Issue Date of a Series of Notes):

- (i) it becomes impossible or impracticable for the Issuer or its counterparty of any hedging transaction to:
 - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect to the relevant Notes (a "**Hedging Transaction**"); or
 - (B) realise, recover or remit the proceeds of any such Hedging Transaction; or
- (ii) the Issuer or the counterparty under such Hedging Transaction would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining any Hedging Transaction (including, but not limited to, any internal cost arising as a result of compliance with any applicable law or regulation),

in each case as determined by the Issuer, in its sole and absolute discretion.

- (e) **Redemption at the Option of the Issuer:** If Call Option is specified in the relevant Final Terms, the Issuer may (unless otherwise specified in the applicable Final Terms), on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, redeem all or, if so provided, some

of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (f) **Redemption at the Option of Noteholders:** If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (g) **Purchases:** The Issuer, its Subsidiaries, any holding company of the Issuer or any subsidiary of such holding company may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi) (*Unmatured Coupons and Receipts and unexchanged Talons*) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii) (*Unmatured Coupons and Receipts and unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

- (i) Payments of principal (which for the purposes of this Condition 6(b) (*Registered Notes*) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(b) (*Registered Notes*) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) so long as any Registered Notes are outstanding, a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) if so specified in the applicable Final Terms, (v) so long as any Bearer Notes are outstanding, Paying Agents having specified offices in at least two major European cities, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, the Bearer Note should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing

unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 0 (*Prescription*)).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 0 (*Prescription*)).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon 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 paragraph, "**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 relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

7. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof

having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom, other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or 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 of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and the Paying Agents shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Section 871(m) or U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS ("**U.S. Permitted Withholding**"). None of the Issuer, the Trustee or the Paying Agents will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, the Trustee or a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

8. **Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) 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.

9. **Events of Default**

- (a) If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount (determined in accordance with Condition 5(b) (*Early Redemption*)) together (if applicable) with accrued interest (if any):
- (i) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
 - (ii) **Insolvency:** the Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or
 - (iii) **Winding-up:** an administrator is appointed or an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer and any resulting administration or winding-up or dissolution process remains undismissed for 45 days, or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or substitution on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

10. **Meetings of Noteholders, Modification, Waiver and Substitution**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders 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 Noteholders.

- (b) **Modification of the Trust Deed and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. In addition, the Trustee shall agree to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to Condition 4(b)(vi) (*Alternative Reference Rates*) in connection with effecting any Alternative Reference Rate, Alternative Relevant Screen Page or related changes. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable thereafter.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or any parent company of the Issuer, in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11. **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing and then only in the name of the Trustee and on giving an indemnity and/or granting security and/or prefunding satisfactory to the Trustee and only to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

12. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by

its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

13. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, 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 and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

15. **Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16. **Contracts (Rights of Third Parties) Act 1999**

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

17. **Governing Law**

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by English law.

FORM OF FINAL TERMS

Final Terms dated [•]

Investec plc

Issue of [Aggregate Nominal Amount] of [Tranche] [Title of Notes]

Legal Entity Identifier (LEI): 2138007Z3U5GWDN3MY22

under the £1,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

MiFID II product governance / Professional investors and ECPs only target market - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [•] 2020 [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Prospectus] [is/are] available for viewing at and copies may be obtained from the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and, during normal working hours, Investec plc, [30 Gresham Street, London EC2V 7QP] and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

Terms used herein shall be deemed to be defined as such for the purposes of the [2014][2015][2016][2017][2018] Conditions which are defined in, and incorporated by reference into, the Base Prospectus dated [•] 2020. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [•] 2020 [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Prospectus] [is/are] available for viewing at and copies may be obtained from the website of the Regulatory News Service operated by the London Stock Exchange at

<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and, during normal working hours, Investec plc, [30 Gresham Street, London EC2V 7QP] and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

- | | | | |
|-----|--------|------------------------------------|---|
| 1. | [(i)] | Series Number: | [•] |
| | [(ii)] | Tranche Number: | [•] |
| | | | [The Notes issued under these Final Terms are to be consolidated and form a single series with [•] (the " Original Issue ") issued on [•] [(ISIN: [•])]] |
| 2. | | Specified Currency: | [•] |
| 3. | | Aggregate Nominal Amount of Notes: | |
| | [(i)] | Series: | [•] |
| | [(ii)] | Tranche: | [•]] |
| 4. | | Issue Price: | [•] per cent. Of the Aggregate Nominal Amount [plus accrued interest from []] |
| 5. | (i) | Specified Denominations: | [•] |
| | (ii) | Calculation Amount: | [•] |
| 6. | (i) | Issue Date: | [•] |
| | (ii) | Interest Commencement Date | [Issue Date] [•] [Not Applicable] |
| 7. | | Maturity Date: | [•] |
| | | | [Interest Payment Date falling in or nearest to [•]] |
| 8. | | Interest Basis: | [[•] per cent. Fixed Rate]
[[LIBOR/EURIBOR/ Compounded Daily SONIA, Compounded Daily SOFR/ Weighted Average SOFR]] +/- [•] per cent. Floating Rate]
[Zero Coupon] |
| 9. | | Redemption/Payment Basis: | [Redemption at par]
[Instalment] |
| 10. | | Put/Call Options: | [Investor Put]
[Issuer Call] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-------|-----------------------------------|--|
| 11. | Fixed Rate Note Provisions | [Applicable/Not Applicable] |
| (i) | Rate[(s)] of Interest: | [•] per cent. Per annum [payable
[annually/semi-annually/quarterly/monthly/[•]] in
arrear] |
| (ii) | Interest Payment Date(s): | [[•] in each year up to and including the Maturity
Date]/[[•]] |
| (iii) | Fixed Coupon Amount[(s)]: | [•] per Calculation Amount |

(iv)	Broken Amount(s):	[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]
(v)	Day Count Fraction:	[Actual/Actual] [Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)] [Actual/Actual- ICMA] [360/360]
12.	Floating Rate Note Provisions	[Applicable/Not Applicable]
(i)	Interest Period(s):	[•]
(ii)	Specified Interest Payment Dates:	[•]
(iv)	Interest Period Date:	[•]
(v)	Business Day Convention:	[Floating Rate Business Day Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]
(vi)	Additional Business Centre(s):	[•]
(vii)	Manner in which the Rate of Interest is to be determined:	[Screen Rate Determination for Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR] [Screen Rate Determination for Notes referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR] [ISDA Determination]
(ix)	Screen Rate Determination for Notes not referencing Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR:	[Applicable/Not Applicable]
–	Reference Rate:	[LIBOR] [EURIBOR]
–	Interest Determination Dates:	[The first day of the Interest Accrual Period] [The day falling two TARGET Business Days prior to the first day of the Interest Accrual Period] [The day falling two Business Days in New York prior to the first day of the Interest Accrual Period] [The day falling two Business Days in London prior to the first day of the Interest Accrual Period] [•]
–	Relevant Screen Page:	[•]
–	Alternative Reference Rate:	[Applicable/Not Applicable]
(x)	Screen Rate Determination for Notes referencing Compounded Daily SONIA, Compounded Daily SOFR	[Applicable/Not Applicable]

or Weighted Average
SOFR:

- Reference Rate: [Compounded Daily SONIA] [Compounded Daily SOFR] [Weighted Average SOFR]
- Interest Determination Dates: [[•] London Banking Days [prior to the end of each Interest Period] [after the final day of the Observation Period]] [As per the definition of Interest Determination Date in the Conditions][•]
[•]
- Observation Look-back Period: [•][Not Applicable], provided that the Observation Look-back Period shall not be less than five London Banking Days without the prior written approval of the Calculation Agent
- z: [•][Not Applicable], provided that z shall not be less than five London Banking Days without the prior written approval of the Calculation Agent
- (xi) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- ISDA Definitions: [2006 Definitions] [2000 Definitions]
- (xii) Margin(s): [•][+/-][] per cent. per annum
- (xiii) Minimum Rate of Interest: [•] per cent. per annum
- (xiv) Maximum Rate of Interest: [•] per cent. per annum
- (xv) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [•] shall be calculated using Linear Interpolation]
- (xvi) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)] [Actual/Actual-ICMA] [360/360]
- 13. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
 - (i) Amortisation Yield: [[•] per cent. per annum]
[As per Condition 5(b)(i)(B)]

PROVISIONS RELATING TO REDEMPTION

- 14. **Call Option** [Applicable/Not Applicable]
 - (i) Optional Redemption Date(s): [•]

- | | | |
|-------|---|------------------------------|
| (ii) | Optional Redemption Amount(s) of each Note: | [•] [per Calculation Amount] |
| (iii) | If redeemable in part: | |
| (a) | Minimum Redemption Amount: | [•] |
| (b) | Maximum Redemption Amount: | [•] |
15. **Put Option** [Applicable/Not Applicable]
- | | | |
|------|---|------------------------------|
| (i) | Optional Redemption Date(s): | [•] |
| (ii) | Optional Redemption Amount(s) of each Note: | [•] [per Calculation Amount] |
16. **Final Redemption Amount of each Note** [•] [per Calculation Amount]
17. **Early Redemption**
- | | | |
|------|--|---|
| (i) | Early Redemption Amount(s) per Calculation Amount: | [Final Redemption Amount]
[Amortised Face Amount]
[Fair Market Value] |
| (ii) | Redemption following Hedging Disruption: | Condition 5(d) [Applicable/Not Applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

18. **Form of Notes:** [Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]
- [Global Certificate registered in the name of a nominee for [a Common Depositary for Euroclear and Clearstream, Luxembourg / a Common Safekeeper for Euroclear and Clearstream, Luxembourg and held under the New Safekeeping Structure (NSS)]]
19. Financial Centre(s): [Not Applicable] [•]
20. Talons for future Coupons or Receipts to be attached to Definitive Notes: [Yes] [No] [Not Applicable]

21. Instalment Notes: [Applicable/Not Applicable]
- (a) Instalment Amount(s): [Not Applicable/[•]]
- (b) Instalment Date(s): [Not Applicable/[•]]
22. Calculation Agent: [•]
- [Not Applicable]

DISTRIBUTION

23. TEFRA Categorisation: [TEFRA D]
- [TEFRA C]
- [TEFRA Not Applicable]
- [Not Applicable]
24. Prohibition of Sales to EEA or UK Retail Investors: [Applicable][Not Applicable]

Signed on behalf of **Investec plc**:

By:

Duly authorised

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing Application [will be] [has been] made to admit the Notes to listing on the Official List of the FCA.
- (ii) Admission to trading: Application [will be] [has been] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Main Market of the London Stock Exchange with effect from [•].
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Main Market of the London Stock Exchange with effect from [•].]
- (iii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

- Ratings: [The Notes have not specifically been rated.]
[The Notes have been rated:]
[Moody's: [•]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[[Save in respect of [•],] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

4. [YIELD

- Indication of yield: [•]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. OPERATIONAL INFORMATION

- ISIN Code: [•]
- Common Code: [•]
- Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]
[[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral

for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected]*

[Whilst the designation is specified as "No" at the date of this Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s) and address: [•]

Names and addresses of additional Paying Agent(s) (if any): [•]
[Not Applicable]

6. **BENCHMARKS**

Amounts payable under the Notes are calculated by reference to the benchmarks set out below, each of which is provided by the administrator indicated in relation to the relevant benchmark.

Benchmark	Administrator	Does the Administrator appear on the Register?
-----------	---------------	--

[•]	[•]	[Appears][Does not appear]
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[As far as the Issuer is aware [the Administrator [does][does not] fall within the scope of the BMR by virtue of Article 2 of that regulation][the transitional provisions in Article 51 of the BMR apply, such that the Administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)]

7. **REASONS FOR THE OFFER AND**

**ESTIMATED
NET
AMOUNT OF
PROCEEDS**

Reasons for the offer: ☐ [See["Use of Proceeds"] in Base Prospectus"/Give details] [If reasons differ from what is disclosed in the Base Prospectus, give details here.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form (including where Notes represented by such Global Notes are intended to be Eurosystem eligible), the Global Notes will be delivered on or prior to the original issue date of the Tranche to one of the ICSDs acting as Common Safekeeper (the "**Common Safekeeper**"). If the Global Certificates are stated in the applicable Final Terms to be held under the NSS (including where Notes represented by such Global Certificates are intended to be Eurosystem eligible), the Global Certificates will be delivered on or prior to the original issue date of the Tranche to one of the ICSDs acting as Common Safekeeper. Depositing the Global Notes or Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. The ICSDs will be notified whether or not each NGN and NSS issuance is intended to be held in a manner which would allow Eurosystem eligibility.

Global notes which are issued in CGN form and Global Certificates not intended to be held under the NSS may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN or the Global Certificate is to be held under the NSS, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note or Global Certificate and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

In relation to any Tranche of Bearer Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a Common Depositary, in the case of a CGN, or a Common Safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other permitted clearing system ("**Alternative Clearing System**"), will be that Common Depositary or, as the case may be, Common Safekeeper.

In relation to any Tranche of Registered Notes represented by one or more Global Certificates, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which, in the case of any Global Certificate which is held by or on behalf of a Common Depositary or a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg and/or Alternative Clearing System, will be that Common Depositary or Common Safekeeper or a nominee for that Common Depositary or Common Safekeeper.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as

the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. **Exchange**

3.1 **Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

If the Notes are issued in the form of a temporary Global Note which is exchangeable for Definitive Notes, the Notes shall be issued only in denominations which are integral multiples of the lowest Specified Denomination.

3.2 **Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes or, in the case of paragraph 3.4 below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes and
- (ii) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) (*Transfer of Registered Notes*) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes, if principal in respect of any Notes is not paid when due.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to the whole or that part of the temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day

falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4. **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

4.1 **Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(e) (*Appointment of Agents*) and Condition 7(d) (*Payment by another Paying Agent*) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6(h) (*Non-Business Days*).

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

4.2 **Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.3 **Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.4 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.5 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.6 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent or to a Paying Agent for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.7 Nominal Amount

Where the Global Note is a NGN or the Global Certificate is to be held under the NSS, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note or Global Certificate shall be adjusted accordingly.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

INFORMATION ABOUT THE ISSUER

Introduction

Investec plc and Investec Limited (together, the "**Investec Group**") partners with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries.

The Investec Group was founded as a leasing company in Johannesburg, South Africa, in 1974, and currently has approximately 8,300 employees. It acquired a banking licence in 1980 and was listed on the JSE Limited South Africa ("**JSE**") in 1986.

In 1992 the Investec Group made its first international acquisition, in the United Kingdom, when it acquired Allied Trust Bank, which has since been renamed Investec Bank plc.

On 14 September 2018, following a strategic review, the board of directors of the Investec Group announced the proposed demerger and separate listing of the Investec Asset Management business (thereafter to be known as Ninety One) (the "**Transaction**"). In March 2020, the Investec Group successfully completed the demerger of Ninety One, which became separately listed on 16 March 2020. The Investec Specialist Banking and Investec Wealth & Investment businesses remain part of the Investec Group's DLC structure. Full details of the Transaction are contained in the Investec Shareholder Circular (published on Friday 29 November 2019) as well as other Transaction documents and announcements, which can be found on Investec's website.

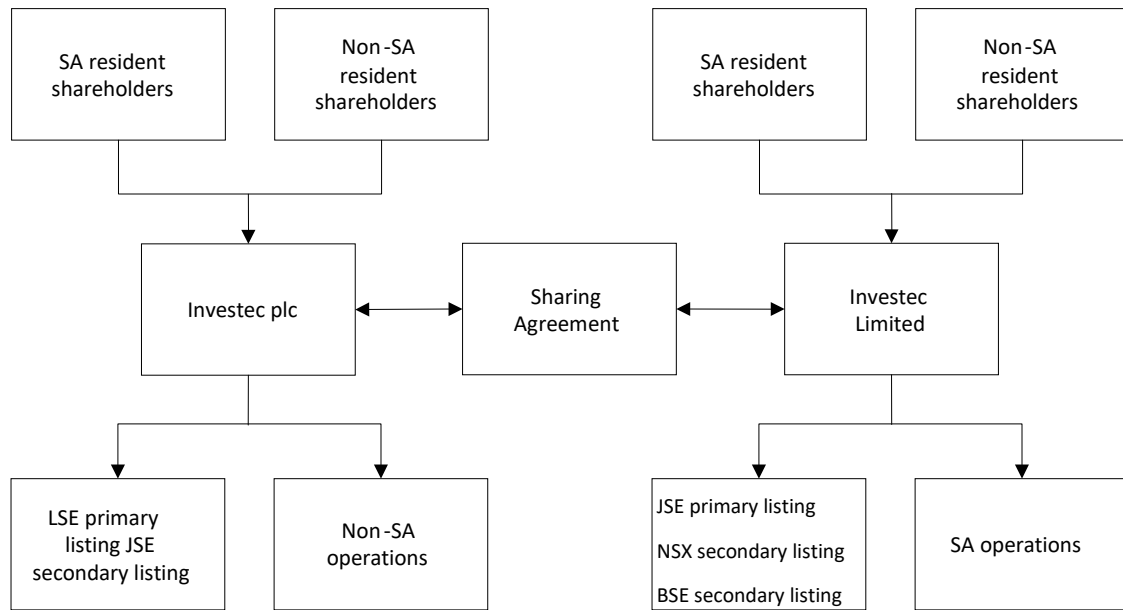
Group Structure

On 22 July 2002, the Investec Group implemented a dual listed companies ("**DLC**") structure pursuant to which the majority of the group's non-Southern African subsidiaries were placed into Investec plc, which was previously a wholly owned subsidiary of Investec Group Limited (now Investec Limited). Investec plc was unbundled from Investec Group Limited and listed on the London Stock Exchange, with a secondary listing on the JSE. As a result of the DLC structure, Investec plc and Investec Limited together formed a single economic enterprise (the Investec Group).

Creditors, however, are ring fenced to either Investec plc or Investec Limited as there are no cross guarantees between the companies.

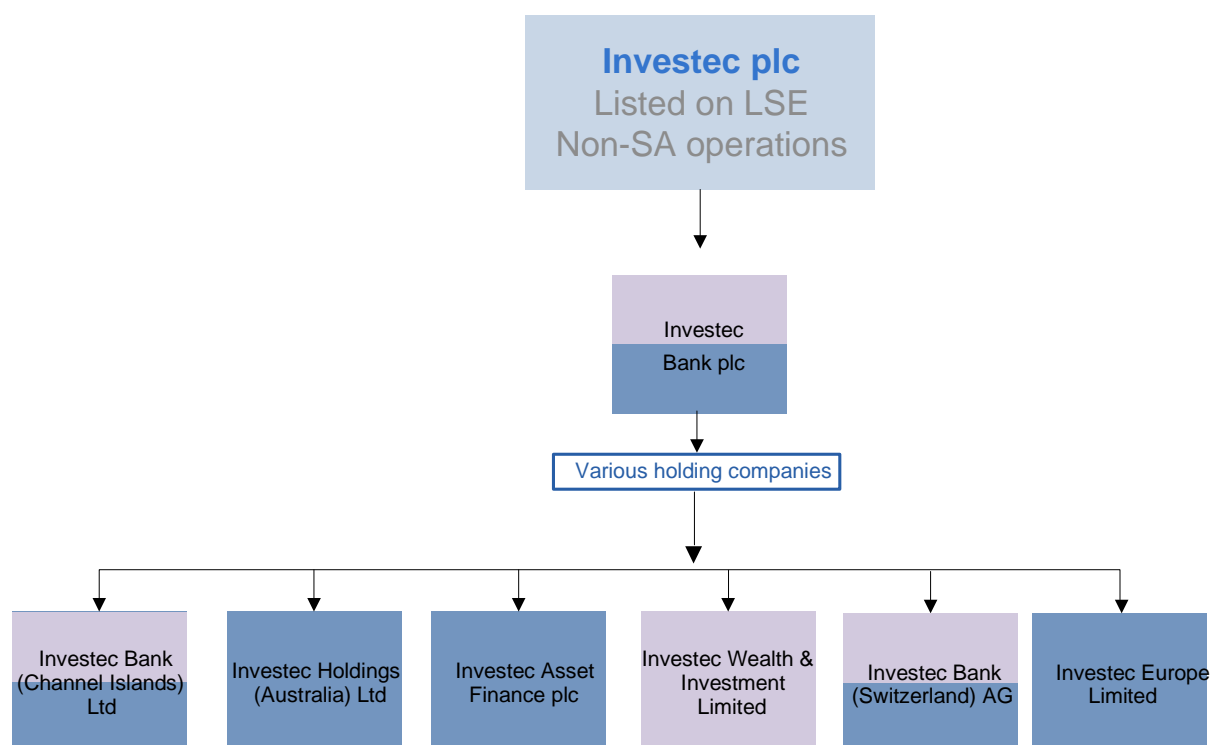
The Investec Group has since expanded through a combination of organic growth and a series of strategic acquisitions.

DLC Structure



Investec plc is the holding company of the majority of the Investec Group's non-Southern African operations, including Investec Bank plc. As Investec plc is the parent company of the group of which it is a member, Investec plc is dependent upon receipt of funds from its principal subsidiaries for its income and it has no significant assets other than its investment in its principal subsidiaries. The following diagram is a simplified group structure for Investec plc.

Investec plc: organisational structure as of 16 March 2020



Note: All shareholdings are 100% unless otherwise stated
Only main operating subsidiaries are indicated

Ratings

Investec plc has been assigned the following long-term credit rating:

- Baa1 by Moody's Investor Service Limited ("**Moody's**"). This means that Moody's is of the opinion that Investec plc is subject to moderate credit risk, is considered medium-grade and as such may possess certain speculative characteristics.

Investec plc has also been assigned the following short-term credit rating:

- P-2 by Moody's. This means that Moody's is of the opinion that Investec plc has a strong ability to repay short-term debt obligations.

Moody's is a credit rating agency established and operating in the European Community and registered in accordance with Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Activities of Investec plc

The activities of Investec plc, conducted through its subsidiary undertakings, are Wealth & Investment and Specialist Banking.

Wealth & Investment

The UK operation is conducted through Investec Wealth & Investment Limited. The other Wealth & Investment operations are conducted through Investec Bank Switzerland, and Investec Wealth & Investment Channel Islands.

Over 1400 staff operate from offices located throughout the UK and Europe, with combined funds under management of £41.0 billion as of 30 September 2019.

The services provided by Investec Wealth & Investment include:

Investments and savings

- Discretionary and advisory portfolio management services for private clients
- Specialist investment management services for charities, pension schemes and trusts
- Independent financial planning advice for private clients
- Specialist portfolio management services for international clients

Pensions and retirement

- Discretionary investment management for company pension and Self Invested Personal Pensions (SIPPs)
- Advice and guidance on pension schemes

Tax planning

- Estate planning
- Retirement planning
- Bespoke advice and independent financial reviews

Specialist Banking

Specialist Banking focuses on three key areas of activity: Private Banking, Corporate and Investment banking, and Investment activities. Each business provides specialised products and services to defined target clients.

Focus on helping our clients create and preserve wealth		A highly valued partner and adviser to our clients	
High net worth and high income private clients		Corporate, private equity, government and institutional clients	
<i>Private Banking</i>	<i>Corporate and Investment Banking</i>	<i>Investment activities</i>	
<ul style="list-style-type: none"> - Lending - Transactional banking - Savings - Foreign exchange 	<ul style="list-style-type: none"> - Lending - Treasury and trading solutions - Advisory - Institutional research, sales and trading 	<ul style="list-style-type: none"> - Principal investments - Property investment and fund management 	
UK and Europe	UK and Europe Australia Hong Kong India USA	UK and Europe Australia Hong Kong	

Private Banking activities

Private client offering providing high-tech and high-touch transactional banking, lending, savings and foreign exchange tailored to suit the clients' needs.

The Issuer's target market includes high net worth and high-income active wealth creators (with > £300k annual income and £3 million NAV). The Issuer's savings offering targets primarily UK retail savers.

Investment Activities

The Issuer's investment activities are focused on providing capital to entrepreneurs and management teams to further their growth ambitions as well as leveraging third party capital into funds that are relevant to the Issuer's client base.

Corporate and Investment Banking activities

The Issuer's Corporate and Investment Banking business is a client-centric solution-driven offering providing Corporate Banking and Investment Banking services to small to medium enterprises (SMEs), medium to large corporates, institutions and private equity sponsors. In addition the Issuer provides niche, specialist solutions in aviation, fund finance, power and infrastructure finance and resource finance

Regulation and Risk Management

Regulation

The UK Financial Conduct Authority (the "FCA") (formerly the "FSA") and the UK Prudential Regulation Authority (the "PRA") and the South African Prudential Authority previously known as the Bank Supervision Division of the South African Reserve Bank ("SARB") entered into a Memorandum of Understanding in 2002 which sets out the basis upon which the Investec Group as a whole will be regulated and how these two main regulators will co-operate. The SARB undertakes consolidated supervision of Investec Limited and its subsidiaries as well as acting as lead regulator of the Investec Group as a whole. The FCA and PRA undertake consolidated supervision of Investec plc and its subsidiaries.

Accordingly, Investec plc is authorised by the PRA and regulated by the FCA and the PRA. Investec plc is therefore subject to PRA limits and capital adequacy requirements. In addition Investec plc, through its operating subsidiaries, operates in a variety of other extensively regulated jurisdictions including Australia, Channel Islands, Switzerland and Ireland, where it has obtained the necessary regulatory authorisations.

Risk Management

The Investec Group recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, its comprehensive risk management process involves identifying, understanding and managing the risks associated with each of the businesses.

Risk Awareness, Control and Compliance

Group Risk Management monitors, manages and reports on risks to ensure it is within the stated risk appetite as mandated by the board of directors through the Board Risk Review Committee. Business units are ultimately responsible for managing risks that arise.

The group monitors and controls risk exposure through credit, market, liquidity, operational, legal risk, internal audit and compliance teams. This approach is core to assuming a tolerable risk and reward profile, helping to pursue growth across the business.

Group Risk Management operates within an integrated geographical and divisional structure, in line with management approach, ensuring that the appropriate processes are used to address all risks across the group. There are specialist divisions in the UK and smaller risk divisions in other regions, to promote sound risk management practices.

Risk Management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within defined risk parameters and objectives, continually seeking new ways to enhance techniques.

In the ordinary course of business, the business is exposed to various risks, including credit, market, interest rate and liquidity, operational, legal and reputational risks.

Loan Administration and Loan Loss Provisioning

The majority of Investec plc's loan exposures arise through Investec Bank plc, one of its major subsidiary undertakings.

Investec plc's loan administration and loan loss provisioning addresses the risk that counterparties will be unable or unwilling to meet their obligations to Investec plc as they fall due or that the credit quality of third parties to whom Investec plc is exposed deteriorates. Credit risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet. Investec plc's risk management policies include geographical, product, market and individual counterparty concentrations. All exposures are checked frequently against approved limits, independently of each business unit. Excesses are reported or escalated to credit, management, Executive Risk Review Forum and Board Risk and Capital Committee as required (amongst other things).

A tiered system of credit committees has been created in order to attempt to ensure that credit exposures are authorised at an appropriate level of seniority. The main UK Group Credit Committee includes executive directors and senior management independent of the line managerial function. All credit committees have to reach a unanimous consensus before authorising a credit exposure and each approval is signed by a valid quorum.

Credit limits on all lending, including treasury and interbank lines, are reviewed at least annually. The arrears policy is strictly controlled and regular reviews are held to evaluate the necessity and adequacy of specific provisions and whether the suspension of interest charged to the customer is required. Arrears Committees regularly review delinquent facilities. They ensure that an agreed strategy for remedial action is implemented and that specific provisions are made where necessary.

Investec plc has a focused business strategy and considers itself to have considerable expertise in its chosen sectors. The majority of Investec plc's lending, excluding interbank placements, is predominantly to UK and European clients and is secured on assets and is amortising. On a geographical basis, approximately 84% of the core loan exposure of Investec plc is to the UK domestic market and Europe. Risk limits permit only modest exposure to South Africa and minimal exposure to other emerging markets.

Dividend policy of Investec Group and Investec plc

The Investec Group's dividend policy is to maintain a dividend payout ratio of 30 per cent. to 50 per cent. based on earnings per share of the combined Investec Group (incorporating the results of Investec plc and Investec Limited) before goodwill impairment, amortisation of acquired intangibles and strategic actions and after earnings attributable to non-controlling interests and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders.

In determining the level of dividend to be paid in respect of any financial period, the board of the Investec Group has regard to, among other factors, its capital position and requirements, the profits generated in respect of such period in relation to the general profits trend of the Investec Group, its strategy and certain regulatory and tax considerations.

The holders of shares in Investec plc and Investec Limited will share proportionately on a per share basis all dividends declared by the Investec Group. Where possible, each of Investec plc and Investec Limited will pay such dividends to their respective shareholders. However, the DLC structure makes provision through dividend access trusts for either company to pay a dividend directly to the shareholders of the other. As of 30 September 2019, Investec plc had issued 69% of the combined issued ordinary share capital of Investec plc and Investec Limited.

Investec plc will require sufficient dividends from its subsidiaries to establish sufficient distributable funds to pay its share of the DLC dividend.

Following the demerger of Ninety One (formerly known as Investec Asset Management) (as described above), the combined dividend capacity of the remaining Investec group and the separately listed Ninety One business is expected to be unchanged. Based on the proposed dividend policies of these two businesses, the Investec boards expect that the aggregate level of dividends received by Investec ordinary shareholders

from their two shareholdings will initially be comparable to the level of dividends they would have received if the demerger did not happen.

Directors

The names of the directors of Investec plc, the business address of each of whom, in their capacity as directors of Investec plc, is 30 Gresham Street, London EC2V 7QP, and their respective principal outside activities are as follows:

<i>Name</i>	<i>Role</i>	<i>Principal outside activities</i>
Fani Titi	Chief Executive Officer	Joint Chief Executive Officer of Investec plc and Investec Limited. Executive director of Investec Bank plc and Investec Bank Limited. Kumba Iron Ore Limited (chairman) and MRC Media (Pty) Ltd
Ian Kantor	Non-Executive director	Chairman of Blue Marlin Holdings SA (formerly, Insinger de Beaufort Holdings SA) (in which Investec Limited indirectly holds an 8.6% interest) and Chairman of the Supervisory Board of Bank Insinger de Beaufort NV. Non - Executive Director of Investec Limited.
Peregrine KO Crosthwaite	Chairman and Non-executive director	Chairman and Non-Executive Director of Investec Limited.
David Friedland	Independent Non-Executive director	Independent Non-Executive director of Investec Bank Limited, Investec Limited and Investec Bank plc. Non-Executive director of Pres Les Proprietary Limited, The Foschini Group Limited and Pick 'n Pay Stores Limited
Charles Jacobs	Independent Non-executive director	Partner of Linklaters LLP and director of Fresnillo plc. Independent Non - Executive Director of Investec Limited
Lord Malloch-Brown	Independent Non-Executive director	Chairman of SGO Corporation Ltd and Senior Advisor to the Eurasia Group, Director of Seplat Petroleum Development Company plc and Smartmatic Ltd. Independent Non - Executive Director of Investec Limited.
Khumo Shuenyane	Independent Non-Executive director	Chairman and Independent Non - Executive Director of Investec Bank Limited, Director of Investec Property Fund Ltd, Investec Life Limited, Investec Specialist Investments (RF) Limited, and Investec Employee Benefits Ltd. Independent Non - Executive Director of Investec Limited. Partner at Delta Partners, an advisory firm headquartered in Dubai.
Zarina Bassa	Senior Independent Non-Executive director	Director of Woolworths Holdings Ltd, Vodacom (Pty) Ltd, Sun International Limited and the Oceana Group Limited. Senior Independent Non-Executive Director of Investec Limited. Independent Non-Executive Director of Investec Bank plc and Investec Bank Limited.
Philip Hourquebie	Independent Non-Executive director	Independent Non-Executive director of Investec Limited and Investec Bank Limited. Director of Investec Property Fund Limited and Aveng Limited

<i>Name</i>	<i>Role</i>	<i>Principal outside activities</i>
Henrietta Baldock	Independent Non-Executive director	Independent non- executive director of Investec Limited; Non-executive director of Legal & General Group plc, Legal & General Insurance Limited and Hydro Industries Limited; Non-executive director and Chairman of Legal & General Assurance Society Limited; Trustee and director of The Leadership Trust Foundation
Nishlan Samujh	Executive director and Chief Financial Officer	Executive director & Chief Executive director and Chief Financial Officer of Investec Limited
Philisiwe Sibiya	Independent Non-Executive director	Independent Non-Executive director of Investec Limited. Non-Executive director of AECI Limited. Founder and Chief Executive Officer of Shingal group of companies.

No potential conflicts of interest exist between the duties that the directors of the Investec plc owe to Investec plc and their private interests or other duties.

Additional Information

The Issuer was a private limited company with limited liability incorporated on 17 September 1998 under the Companies Act 1985 and registered in England and Wales under registered number 03633621 with the name Regatta Services Limited. Since then it has undergone a change of name to Investec Limited on 24 November 2000, and re-registered as a public limited company under the name of Investec plc on 7 December 2000. It is currently incorporated under the name Investec plc.

The objects of Investec plc are set out in paragraph 4 of its Memorandum of Association and, in summary, are to carry on the business of banking and to carry on the business of a holding and investment company. The Memorandum and Articles of Association of Investec plc have been filed with the Registrar of Companies in England and Wales and are available for inspection as provided in "General Information" below.

TAXATION

The tax laws of the investor's jurisdiction and of the Issuer's jurisdiction of incorporation might have an impact on the income received from the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain United Kingdom and U.S. tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

1. **United Kingdom Taxation**

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

A. UK Withholding Tax on UK Source Interest

The Notes issued by the Issuer which carry a right to interest ("**UK Notes**") will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**")) or admitted to trading on a "multilateral trading facility" (within the meaning of section 987 of the Act). Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom Official List and admitted to trading on the Main Market of the London Stock Exchange.

In all cases falling outside the exemptions described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this

withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

B. Other Rules Relating to United Kingdom Withholding Tax

- (i) Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in section A above.
- (ii) Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
- (iii) Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
- (iv) The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. see Condition 4 (*Interest and other Calculations*) of the Notes). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.
- (v) The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 10 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

2. Other Taxation Matters

A. Withholding of U.S. tax on account of FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on (i) certain payments of U.S. source income and (ii) beginning two years after the date final Treasury regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register, foreign passthru payments made to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

B. The proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**") and Estonia. However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Each Dealer has, in a programme agreement dated on or about 6 February 2014 and most recently amended on or about 31 March 2020 (as amended, restated modified or supplemented from time to time), (the "**Programme Agreement**") agreed with the Issuer a basis upon which it and any other dealers from time to time appointed under the Programme or any of them may from time to time agree to purchase Notes. The Notes may be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer.

The Notes will be offered on a continuous basis by the Issuer to the Dealers or to others. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer.

Selling Restrictions

Prohibition of Sales to EEA and UK Retail Investors

Unless the relevant Final Terms for each Tranche of Notes issued under this Programme specify the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Notes in bearer form for U.S. tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed and each new Dealer will be required to represent and agree that it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

The Final Terms in respect of a Series of Bearer Notes that have a maturity of more than one year will specify whether they are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) ("**TEFRA D**", which definition shall include any similar rules in substantially the same form as TEFRA D for the purposes of section 4701 of the U.S. Internal Revenue Code), U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) ("**TEFRA C**", which definition shall include any similar rules in substantially the same form as TEFRA C for the purposes of section 4701 of the U.S. Internal Revenue Code) or other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA Not Applicable**").

The offering of the Notes will fall under Regulation S compliance category 2.

Each Issuance of Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person, or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

United Kingdom

Each Dealer has represented and agreed and each new Dealer shall be required to represent and agree that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

South Africa

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer or solicit any offers for sale or subscription or sell or deliver any Notes, or distribute any copy of this Prospectus or any other document relating to the Notes, in contravention of the South African Banks Act, 1990 ("**Banks Act**"), the Exchange Control Regulations, 1961 promulgated pursuant to the South African Currency and Exchanges Act, 1933 ("**Exchange Control Regulations**") each case except in accordance with the South African exchange

control regulations, the South African Companies Act, 2008 ("**Companies Act**") and any other applicable laws and regulations of South Africa in force from time to time.

In particular:

- This Base Prospectus does not, nor is it intended to, constitute a "prospectus" (as contemplated in the Companies Act) and the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an "offer to the public" (as such expression is defined in the Companies Act) of Notes (whether for subscription, purchase or sale) in South Africa.
- In terms of the Exchange Control Regulations (i) the issue of Notes which are to be subscribed for and/or purchased directly by a Resident (as defined in the Exchange Control Regulations) ("**Resident**") on the primary market and (ii) the purchase of Notes by a Resident on the secondary market requires the prior written approval of the Financial Surveillance Department of the South African Reserve Bank ("**Exchange Control Authorities**"), which approval may take the form of (i) a "specific" approval granted pursuant to a specific individually motivated application to the Exchange Control Authorities or (ii) a "general pre-approval" which, subject to the terms of the approval, applies generically to certain classes of transactions or all transactions of a particular kind. The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer Notes for subscription, or otherwise sell any Notes, to any person who, or which, is a Resident (as defined in the South African exchange control regulations) other than in strict compliance with the South African Exchange Control Regulations in effect from time to time, and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any Resident (as defined in the South African exchange control regulations) other than in strict compliance with the South African Exchange Control Regulations in effect from time to time.
- The acceptance of the proceeds of the issue of Notes which are subscribed for and/or purchased directly by South African resident investors on the primary market may, under certain circumstances, comprise "the business of a bank" for purposes of the Banks Act. The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer Notes for subscription, or otherwise sell any Notes, to any person who, or which, is a South African resident investor other than in strict compliance with the Banks Act in effect from time to time and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any South African resident investor other than in strict compliance with the Banks Act in effect from time to time.

Guernsey

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law; or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000.

General

These selling restrictions may be modified by the Issuer (where applicable, with the agreement of the Dealers) following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

The Dealer has agreed and each new Dealer will be required to agree that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it

purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

GENERAL INFORMATION

1. The Investec Group prepares its combined financial statements in accordance with International Financial Reporting Standards ("IFRS"). Investec plc prepares its consolidated financial statements in accordance with IFRS, subject to the notes set out under the heading "Basis of consolidation" on page 180 of the audited and consolidated annual report and accounts of Investec plc for the year ended 31 March 2018 and on page 172 of the audited and consolidated annual report and accounts of Investec plc for the year ended 31 March 2019.
2. There has been no significant change in the financial position or financial performance of Investec plc and its subsidiary undertakings since 30 September 2019, being the end of the most recent financial period for which it has published interim financial statements.
3. There has been no material adverse change in the prospects of Investec plc since the financial year ended 31 March 2019, the most recent financial year for which it has published audited financial statements.
4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its subsidiary undertakings.
5. The audited consolidated financial statements of Investec plc for the financial years ended 31 March 2018 and 31 March 2019 have been audited without qualification by Ernst & Young LLP, chartered accountants, registered auditors and independent auditors whose address is 25 Churchill Place, London E14 5EY.
6. The objects of the Investec plc are set out in paragraph 4 of its Memorandum of Association and, in summary, are to carry on the business of a banking institution and to carry on the business of a holding and investment company. Investec plc, through its subsidiaries, provides a comprehensive range of banking and related financial services.
7. For so long as Investec plc may issue securities under this Base Prospectus, the following documents may be inspected during normal business hours at the registered office of Investec plc or at www.investec.com/investorcentre for the 12 months from the date of this Base Prospectus:
 - (i) the memorandum and articles of association of Investec plc;
 - (ii) all documents incorporated by reference into this Base Prospectus;
 - (iii) the Agency Agreement; and
 - (iv) the Trust Deed (including the Forms of Notes, Coupons, Talons and Receipts).
8. Investec plc will, at its registered office, at the specified offices of its paying agents and at www.investec.com/investorcentre make available for inspection during normal office hours, free of charge, a copy of this Base Prospectus, including any document incorporated by reference herein. Written requests for inspection of such documents should be directed to the specified office of the relevant paying agent. For the avoidance of doubt, unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this prospectus.
9. The Issuer's registered office is 30 Gresham Street, London, EC2V 7QP. Its telephone number is +44 (0)20 7597 4000.
10. The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 28 January 2014, and the update of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 17 February 2020.

11. This document has been approved by the FCA as a base prospectus in compliance with the Prospectus Regulation and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purpose of the Regulation.
12. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
13. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.
14. In respect of a series of Notes, the Dealer(s) may initially subscribe for some or all of the Notes. The Dealer(s) may subsequently place such Notes in the secondary market or such Notes may subsequently be repurchased by the Issuer and cancelled.
15. The Legal Entity Identifier (LEI) of the Issuer is 2138007Z3U5GWDN3MY22.
16. The Issuer's website is www.investec.com. Unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this prospectus.
17. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

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