



**INVESTEC BANK plc**

*(incorporated with limited liability in England and Wales, with registered number 489604)*

**£6,000,000,000 Euro Medium Term Note Programme**

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Investec Bank 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 £6,000,000,000 (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**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC amended by Directive 2008/11/EC, Directive 2010/73/EU and Directive 2010/78/EU (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Notes issued under the Programme during the period of twelve months after the date hereof.

**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 the following long-term credit ratings: BBB+ by Fitch Ratings Limited ("**Fitch**"), A2 by Moody's Investors Service Limited ("**Moody's**") and BBB+ by Global Credit Rating Co. ("**Global Credit Rating**"). Each of Fitch and Moody's is a credit rating agency established and operating in the European Union ("**EU**") and registered in accordance with Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Global Credit Rating is not established in the European Economic Area ("**EEA**") and is not certified under the CRA Regulation and its ratings are not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

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**

Dated 19 October 2018

## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

### *Responsibility for information in the Base Prospectus*

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

Except for Investec Bank plc (which as Issuer takes responsibility for this Base Prospectus as described above), 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 and Japan (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<br><br>As far as the Issuer is aware 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). |

#### ***PRIIPs***

**IMPORTANT – EEA 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 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 EEA. 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 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs 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.

### *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.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) which the Dealers have agreed is/are the stabilisation manager(s) (or person(s) acting on behalf of any stabilisation manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the relevant Tranche of Notes and sixty (60) days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilisation manager(s) (or person(s) acting on behalf of any stabilisation manager(s)) in accordance with the applicable laws and rules.

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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.*

*Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are 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.*

*The Issuer believes that the factors described below and the "Risk Factors" section on pages 1 to 15 of the Registration Document dated 18 July 2018 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.*

### 1. **Risk Factors in Registration Document**

Risks relating to the Issuer's ability to fulfil its obligations with respect to the Notes can be found on pages 1 to 15 of the registration document dated 18 July 2018 (the "**Registration Document**") in the section headed "*Risk Factors*" which has been incorporated by reference on page 15 of this Base Prospectus. In particular, investors should be aware that payments and return of initial investment in relation to the Notes will, together with the factors outlined below, depend on the solvency of the Issuer.

### 2. **Risks related to the Structure of the Notes**

#### (a) ***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.

#### (b) ***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.**

#### (c) ***Discretion of the 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 (i) in respect of the Resetable Notes and the Floating Rate Notes, the rate of interest, (ii) whether a Hedging Event has occurred in respect of the Notes and (iii) if specified as the early redemption amount in respect of the Notes, the Fair Market Value of the 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.

(d) ***The Issuer's obligations under Subordinated Notes are subordinated***

The payment obligations of the Issuer under Subordinated Notes will rank behind Senior Notes. Subordinated Notes constitute unsecured and, in accordance with the paragraphs below, subordinated obligations of the Issuer which rank *pari passu* without any preference among themselves.

An investment in the Subordinated Notes is not an equivalent to an investment in a bank deposit. Although an investment in Subordinated Notes may give rise to higher yields than a bank deposit placed with Investec Bank plc or with any other investment firm in the Investec group, an investment in Subordinated Notes carries risks which are very different from the risk profile of such a deposit. Subordinated Notes are expected to have greater liquidity than a bank deposit since bank deposits are generally not transferable. However, Subordinated Notes may have no established trading market when issued, and one may never develop. See further under "*The secondary market generally*".

Subordinated Notes are unsecured and subordinated obligations of the Issuer. Investments in Subordinated Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes or any national implementing measures implementing this Directive in any jurisdiction (such as the UK Financial Services Compensation Scheme). Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Subordinated Notes in a worst case scenario could lose their entire investment.

In addition, the claims of investors in Subordinated Notes may be varied or extinguished or converted into the common equity of the Issuer pursuant to the exercise of powers under the Banking Act 2009, including the "write-down and conversion of capital instruments power" and the "bail-in" power (see further under "*Applicable Bank Resolution Powers*"), which could lead to investors in Subordinated Notes losing some or all of their investment. The write-down and conversion of capital instruments power does not apply to ordinary bank deposits and the bail-in power must be applied in a specified preference order which would generally result in it being applied to Subordinated Notes prior to its being applied to bank deposits (to the extent that such deposits are subject to the bail-in power at all).

(e) ***Limitation on gross-up obligation under the Notes***

In the event that "Additional Amounts in relation to Principal" is specified as "Not Applicable" in the relevant Final Terms, the Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of United Kingdom taxes under the terms of the Notes applies only to payments of interest in respect of the Notes and not to payments of principal as defined in Condition 7 (*Taxation*). Accordingly, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any such withholding or deduction applied to payments of principal. In such circumstances, holders of the Notes may receive less than the full amount of principal due in respect of the Notes, and the market value of the Notes may be adversely affected.

(f) ***The reset of the rate of interest for Resettable Notes may affect the secondary market for and market value of such notes***

In the case of any Series of Resettable Notes, the rate of interest on such Resettable Notes will be reset by reference to the then prevailing Mid-Swap Rate, as adjusted for any applicable margin, on the reset dates specified in the relevant Final Terms. This is more particularly described in Condition 5(b) (*Interest on Resettable Notes*). The reset of the rate of interest in accordance with such provisions may affect the secondary market for and the market value of such Resettable Notes. Following any such reset of the rate of interest applicable to the Notes, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest on the relevant Resettable Notes may be lower than the Initial Rate of

Interest, the First Reset Rate of Interest and/or any previous Subsequent Reset Rate of Interest.

(g) ***Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "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".

Key international reforms of "benchmarks" include IOSCO's Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. The first review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The first review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

In February 2016, IOSCO published its second review of the implementation of the IOSCO Benchmark Principles by administrators of EURIBOR, LIBOR and the Tokyo Inter-Bank Offer Rate ("**TIBOR**"). The second review noted that the administrators of LIBOR, EURIBOR and TIBOR had been proactively engaged in addressing the issues raised in the first review. Nevertheless, the second review set out recommendations for each administrator in order to strengthen the implementation of the IOSCO Benchmark Principles and proposed that relevant national authorities monitor the progress made by the three administrators in order to implement those recommendations.

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 €50bn, subject to further conditions.

The Benchmarks Regulation could have a material impact on any listed Notes linked to a "benchmark" index, including in any of the following circumstances:

- (i) a rate or index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation/registration or is not able to rely on one of the regimes available to non-EU benchmarks. In such event, depending on the particular "benchmark" and the applicable terms of the Notes, the Notes could be de-listed, adjusted pursuant to Condition 4(c)(vi) (*Alternative Reference Rates*), or otherwise impacted; and
- (ii) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation, 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 and, depending on the particular "benchmark" and the applicable terms of the Notes, could lead to adjustments to the terms of the Notes.

Any of the international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could result in adjustment to the terms and conditions of the Notes linked to any such "benchmark" pursuant to Condition 4(c)(vi) (*Alternative Reference Rates*) or to the interest rate applicable to such Notes effectively becoming fixed at the rate last set in accordance with the Conditions. Any such consequence could have a material adverse effect on the value of and return on any such Notes. In addition, if the terms and conditions of the Notes are adjusted pursuant to Condition 4(c)(vi) (*Alternative Reference Rates*) so as to provide for an Alternative Reference Rate, there can be no assurance that any applicable Margin will be adjusted for any difference between the Alternative Reference Rate and the original Reference Rate applicable to the Notes or that any adjustment made will correspond to the difference between the original Reference Rate and the Alternative Reference Rate when assessed at any particular date.

### 3. **Risks related to the Early Redemption of the Notes**

#### (a) ***Risk of early redemption***

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events, following an Event of Default, the occurrence of a Capital Disqualification Event or certain other early redemption events.

**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 relevant 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 then 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.**

(b) ***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.

Accordingly, the return an investor in the Notes may expect to receive on a transfer of a Note during any such period may be lower than the return expected by an investor in products which cannot be voluntarily redeemed prior to maturity.

If the relevant 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 relevant 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.**

4. **Risks related to the Legal Framework of the Notes**

(a) ***Modification, waivers and substitution***

The conditions of the Notes contain provisions for calling meetings to consider matters generally affecting the interests of holders of the relevant notes (the "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 (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.**

(b) ***Notes where denominations involve integral multiples: definitive Notes***

In relation to any issue of Notes which have denominations consisting of a minimum specified denomination (the "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. Holdings which are not in integral multiples of the Specified Denomination will be rounded downwards in all instances.

**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.**

(c) ***Applicable Bank Resolution Powers***

The Issuer is a UK bank and 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 (which may include Subordinated Notes), (iii) other subordinated claims and (iv) eligible senior claims (which may include Senior Notes). As a result, subordinated Notes which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This

could effectively subordinate such Notes to the Issuer's other subordinated indebtedness that is not additional tier 1 or tier 2 capital. The claims of some creditors whose claims would rank equally with those of the Noteholders may be excluded from bail-in. The more of such creditors there are, the greater will be the impact of bail-in on the relevant Noteholders.

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 write-down and conversion of capital instruments power and 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.

(d) ***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.

**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.**

5. **Risks related to the market generally**

(a) ***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 Regulated 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.**

(b) ***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.**

(c) ***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 Bank plc

The Issuer was a private limited company with limited liability incorporated on 20 December 1950 under the Companies Act 1948 and registered in England and Wales under registered number 00489604 with the name Edward Bates & Sons Limited. Since then it has undergone changes of name, eventually re-registering under the Companies Act 1985 on 23 January 2009 as a public limited company and is now incorporated under the name Investec Bank plc.

The Issuer had a common equity tier 1 ratio of 11.8 per cent. and cash and near cash balances of £5.6 billion as at 31 March 2018.

The Issuer is the main banking subsidiary of Investec plc, which is part of an international banking group with operations in its principal markets, the UK and Europe, Australia/Asia and South Africa, as well as certain other countries.

The businesses of the Issuer include Wealth & Investment and Specialist Banking. For more information, see the Registration Document incorporated by reference into this Base Prospectus.

### **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 9 above and pages 1 to 15 of the Registration Document and include the following:

*Risks related to the Structure of the Notes.* Certain types of Note issued under the Programme will be exposed to particular types of risk that other types of debt security would not be exposed to.

*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.

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| <b>Description:</b>                                  | £6,000,000,000 Euro Medium Term Note Programme   |
| <b>Size:</b>   | Up to £6,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time  |
| <b>Arranger and Dealer:</b>                          | Investec Bank plc<br><br>The Issuer may from time to time appoint dealers in respect of one or more Tranches. References in this Base Prospectus to " <b>Dealers</b> " are to such persons that are appointed as dealers in respect of one or more Tranches.   |
| <b>Trustee:</b>                                      | Deutsche Trustee Company Limited   |
| <b>Issuing and Paying Agent:</b>                     | Deutsche Bank AG, London Branch  |
| <b>Registrar in respect of the Registered Notes:</b> | Deutsche Bank Luxembourg S.A.  |
| <b>Method of Issue:</b>                              | The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " <b>Series</b> ") 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 " <b>Tranche</b> ") 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 " <b>Final Terms</b> ").   |
| <b>Issue Price:</b>                                  | Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.   |
| <b>Form of Notes:</b>                                | The Notes may be issued in bearer form only (" <b>Bearer Notes</b> ") in bearer form exchangeable for Registered Notes (" <b>Exchangeable Bearer Notes</b> ") or in registered form only (" <b>Registered Notes</b> "). 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 " <b>Selling Restrictions</b> " 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 " <b>Global Certificates</b> ". |
| <b>Clearing Systems:</b>                             | 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.   |



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| <b>Initial Delivery of Notes:</b> | 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 (in the case of a Global Certificate) 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 <b>provided that</b> 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. |
| <b>Currencies:</b>                | 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.   |
| <b>Maturities:</b>                | Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 30 years. Unless otherwise permitted by then current laws, regulations and directives, Subordinated Notes will have a maturity of not less than five years.   |
| <b>Specified Denomination:</b>    | <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>   |
| <b>Fixed Rate Notes:</b>          | Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.  |
| <b>Resetable Notes:</b>           | The rate of interest on such Resetable Notes will be reset by reference to the then prevailing Mid-Swap Rate, as adjusted for any applicable margin, on the reset dates specified in the relevant Final Terms.   |
| <b>Floating Rate Notes:</b>       | <p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(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</li> </ul>  |

published by the International Swaps and Derivatives Association, Inc.; or

- (ii) by reference to LIBOR or EURIBOR (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.

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| <b>Zero Coupon Notes:</b>                   | Zero Coupon Notes (as defined in " <i>Terms and Conditions of the Notes</i> ") may be issued at their nominal amount or at a discount to it and will not bear interest.  |
| <b>Interest Periods and Interest Rates:</b> | 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.  |
| <b>Redemption:</b>                          | The relevant Final Terms will specify the basis for calculating the redemption amounts payable.  |
| <b>Redemption by Instalments:</b>           | 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.   |
| <b>Optional Redemption:</b>                 | 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.  |
| <b>Status of Notes:</b>                     | Senior Notes will constitute unsubordinated and unsecured obligations of the Issuer and Subordinated Notes will constitute subordinated obligations of the Issuer all as described in " <i>Terms and Conditions of the Notes – Status</i> ".   |
| <b>Negative Pledge:</b>                     | These Notes do not include a negative pledge.  |
| <b>Cross Default:</b>                       | These Notes do not include cross default provisions.   |
| <b>Ratings:</b>                             | <p>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.</p> <p>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.</p>   |
| <b>Early Redemption:</b>                    | Except as provided in " <i>Optional Redemption</i> " 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 " <i>Terms and Conditions of the Notes – Redemption, Purchase and Options</i> ".   |
| <b>Withholding Tax:</b>                     | 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 in respect of interest and (except where gross-up in relation to principal is specified as "Not Applicable" in the Final |

Terms) principal as each of those terms is defined in Condition 7, 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 Regulated 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, the United Kingdom and Japan, see "*Subscription and Sale*".

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

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.

## DOCUMENTS INCORPORATED 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 registration document of the Issuer dated 18 July 2018 (the "**Registration Document**").
- (ii) The annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2018 of the Issuer, which has previously been published and filed with the FCA.
- (iii) The annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2017 of the Issuer, which has previously been published and filed with the FCA.
- (iv) The terms and conditions set out on pages 16 to 44 of the prospectus dated 11 October 2017 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2017 Conditions**").
- (v) The terms and conditions set out on pages 14 to 41 of the prospectus dated 7 October 2016 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2016 Conditions**").
- (vi) The terms and conditions set out on pages 15 to 44 of the prospectus dated 29 September 2015 relating to the Programme under the heading "Terms and Conditions of the Notes" (the "**2015 Conditions**").
- (vii) The terms and conditions set out on pages 14 to 43 of the prospectus dated 31 July 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2014 Conditions**").
- (viii) The terms and conditions set out on pages 15 to 46 of the prospectus dated 31 July 2013 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2013 Conditions**").
- (ix) The terms and conditions set out on pages 16 to 47 of the prospectus dated 13 June 2012 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2012 Conditions**").
- (x) The terms and conditions set out on pages 16 to 47 of the prospectus dated 23 August 2011 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2011 Conditions**").
- (xi) The terms and conditions set out on pages 28 to 61 of the prospectus dated 18 October 2010 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2010 Conditions**").
- (xii) The terms and conditions set out on pages 23 to 56 of the prospectus dated 20 November 2009 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2009 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 16 of the Prospectus Directive. 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.

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) the

website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.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 (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**") dated on or about 19 October 2018 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 (as amended, restated, modified or supplemented as at the Issue Date or from time to time), (the "**Agency Agreement**") dated on or about 19 October 2018 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.

The Final Terms for the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on the Notes which supplement these Terms and Conditions. References to "**relevant Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Notes.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the relevant 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 relevant Final Terms, the relevant 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 Resettable 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.

This Note may also be a Senior Note or a Subordinated Note, as indicated 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(g) (*Redemption at the Option of Noteholders (other than holders of Subordinated Notes)*)) 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(f) (*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

- (a) **Status of Senior Notes:** If the Notes are specified as Senior Notes in the relevant Final Terms (the "**Senior Notes**"), the Senior 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 Senior Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.
- (b) **Status and Subordination of Subordinated Notes:**
  - (i) If the Notes are specified as Subordinated Notes in the relevant Final Terms, the Subordinated Notes and the relative Receipts and Coupons (if any) are unsecured obligations of the Issuer subordinated in a Winding Up or Qualifying Administration of the Issuer as described below and rank and will rank (A) in priority to the claims of holders of all classes of share capital, (B) *pari passu* without any preference among themselves, (C) at least *pari passu* with all obligations (including guarantee obligations) of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital



constitute, Tier 2 capital, (D) *pari passu* with obligations of the Issuer in respect of claims (if any) which rank or are expressed to rank *pari passu* with the Subordinated Notes (including, without limitation and for so long as any of the same shall remain outstanding, claims in respect of principal and interest under the Existing Subordinated Notes (as defined in the Trust Deed)), and (E) junior in point of subordination to the obligations of the Issuer in respect of its Senior Creditors. The rights of the holders of Subordinated Notes (and any rights in respect of the relative Receipts and Coupons) will, in the event of the Winding Up or Qualifying Administration of the Issuer, be subordinated in right of payment in the manner provided in the Trust Deed to the claims of Senior Creditors of the Issuer.

- (ii) Subject to applicable law, neither any Noteholder nor any Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes, the relative Receipts or the Coupons and each Noteholder and Couponholder shall, by virtue of being the holder of any Subordinated Note, Receipt or Coupon (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention, in each case both before and during any winding-up, liquidation or administration of the Issuer. Notwithstanding the provisions of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder against the Issuer is discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of the winding-up, liquidation or administration of the Issuer (as the case may be), the liquidator, administrator or other relevant insolvency official of the Issuer and until such time as payment is made will hold a sum equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator or other relevant insolvency official of the Issuer (as the case may be)) and accordingly such discharge shall be deemed not to have taken place.

(c) **Definitions**

In these Conditions:

"**PRA**" means the Prudential Regulation Authority of the United Kingdom or such other governmental authority in the United Kingdom (or, if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, in such other jurisdiction) having primary supervisory authority with respect to the Issuer;

"**Qualifying Administration**" means that an administrator has been appointed in respect of the Issuer and has given notice that he intends to declare and distribute a dividend;

"**Senior Creditors**" means, (a) depositors of the Issuer, (b) creditors of the Issuer who are unsubordinated creditors of the Issuer, and (c) creditors of the Issuer whose claims are or are expressed to be subordinated to the claims of other creditors of the Issuer (other than those whose claims are in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 capital or Tier 2 capital or whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of holders in respect of the Notes) (whether only in a Winding Up of the Issuer or otherwise);

"**Subordinated Notes**" means the Notes specified as such in the relevant Final Terms;

"**Tier 1 capital**" has the meaning ascribed to it by the PRA from time to time;

"**Tier 2 capital**" has the meaning ascribed to it by the PRA from time to time; and

"**Winding Up**" means any winding-up of the Issuer (excluding a solvent winding-up solely for the purposes of a reconstruction, amalgamation, reorganisation, merger, consolidation or the substitution in place of the Issuer of a successor in business (as defined in the Trust Deed), the terms of which reconstruction, amalgamation, reorganisation, merger, consolidation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders of the relevant Series).

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 arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g) (*Calculations*) below.

(b) **Interest on Resettable Notes:**

- (i) *Interest Payment Dates:* Each Resettable Note bears interest on its outstanding nominal amount as at the Issue Date:
- (A) from and including the Interest Commencement Date specified in the relevant Final Terms to but excluding the First Resettable Note Reset Date at the Initial Rate of Interest;
  - (B) from and including the First Resettable Note Reset Date to but excluding the Second Resettable Note Reset Date or, if no such Second Resettable Note Reset Date is specified in the relevant Final Terms, the Maturity Date (if any), at the First Reset Rate of Interest; and
  - (C) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest.

Such interest will be payable in arrear on each Resettable Note Interest Payment Date. The first payment of interest will be made on the first Resettable Note Interest Payment Date following the Interest Commencement Date. The amount of interest payable shall be determined in accordance with Condition 4(g) (*Calculations*) below.

- (ii) *Fallback Provision for Resettable Notes if "Mid-Swap Rate" is specified as the Benchmark in the relevant Final Terms:* Where "Mid-Swap Rate" is specified as the Benchmark in the relevant Final Terms, if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Reference Bank Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the Resettable Note Margin, all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4(b)(ii), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 4(b)(ii), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(c) **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 arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance

with Condition 4(g) (*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:

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

In the event that the Floating Rate Option cannot be determined in accordance with the provisions of the relevant notional Swap Transaction (or the fallbacks thereunder), or a Benchmark Event has occurred in relation to the such Floating Rate Option, the Floating Rate Option shall be determined in accordance with Condition 4(c)(vi).

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

- (x) Where Screen Rate 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 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.

- (y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(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
- (z) if paragraph (y) 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)(y) and 4(b)(iii)(B)(z).

- (iv) *Instalment Notes*: in respect of Floating Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, the Interest Amount payable in respect of the Interest Period in which such Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falls shall be calculated on the following basis:
  - (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(c) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and
  - (y) in respect of the 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(c) 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 relevant 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 it determines appropriate.
- (vi) *Alternative Reference Rates*: If an Alternative Reference Rate is specified as applicable in the relevant Final Terms and notwithstanding the provisions of Condition 4(b)(iii)(A) (ISDA Determination for Floating Rate Notes) and Condition 4(b)(iii)(B) (Screen Rate Determination for Floating Rate Notes), 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, the Floating Rate Option shall be determined in accordance with this Condition 4(c)(vi); or
- (B) Screen Rate Determination for Floating Rate Notes, 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, then such Reference Rate shall be determined in accordance with this Condition 4(c)(vi), then:
  - (1) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to 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(c)(vi));
  - (2) 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;
  - (3) 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 (in consultation with the Calculation Agent and 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, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Floating Rate Option or Reference Rate, 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(c)(vi) applies and the Issuer is unable to determine an Alternative Reference Rate (and, if applicable, the Alternative Relevant Screen Page) prior to the 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;

- (4) 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(c)(vi));
- (5) if the Independent Adviser or, in accordance with this Condition 4(c)(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(c)(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(c)(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(c)(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 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)). The Trustee shall not be obliged to agree to any amendments which in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee 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 in the documents to which it is a party and/or these Conditions; and
- (6) 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(c)(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)).

- (d) **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*)).
- (e) **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*)).
- (f) **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(c) (*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.
- (g) **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.
- (h) **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(c)(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.

- (i) **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 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 shall apply the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms, 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.
- (j) **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 which is a Reference Rate or a Floating Rate Option:

- (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;

"**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security customarily used in the pricing of new issues with a similar tenor having a maturity date on or about the last day of such Reset Period as the Calculation Agent, with the advice of the Reference

Banks, may determine to be appropriate following any guidance published by the International Capital Market Association at the relevant time;

**"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);

**"Dealing Day"** means a day on which the London Stock Exchange (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities;

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

**"First Reset Period"** means the period from and including the First Resettable Note Reset Date to but excluding the Second Resettable Note Reset Date or, if no such Second Resettable Note Reset Date is specified in the relevant Final Terms, the Maturity Date, if any, in respect of such Series of Notes;

**"First Reset Rate of Interest"** means:

- (a) if "Mid-Swap Rate" is specified as the benchmark in the relevant Final Terms, and subject to Condition 4(b)(ii) (*Fallback Provision for Resettable Notes if "Mid-Swap Rate" is specified as the benchmark in the relevant Final Terms*), the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the First Margin; or
- (b) if "Gilt Rate" is specified as the benchmark in the relevant Final Terms, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Gilt Rate plus the First Margin;

**"First Resettable Note Reset Date"** means the date specified as such in the relevant Final Terms;

**"Gilt Rate"** means in respect of a Reset Period, the gross redemption yield (as calculated by the Calculation Agent in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for the purpose of determining the gross redemption yield being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Gilt Reference Banks at 11.00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period on a dealing basis for settlement on the next following Dealing Day in London. Such quotations shall be obtained by or on behalf of the Issuer and provided to the Calculation Agent. If at least four quotations are provided, the Gilt Rate will be determined by reference to the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Gilt Rate will be determined by reference to the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Gilt Rate will be determined by reference to the rounded quotation provided. If no quotations are provided, the Gilt Rate will be

determined by the Calculation Agent, based on a bid and offered price of the Benchmark Gilt determined by or on behalf of the Issuer, in its sole discretion;

**"Gilt Reference Banks"** means five authorised leading market-makers in the sterling gilt-edged market selected by the Issuer;

**"Independent Adviser"** means an independent financial institutional 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;

**"Initial Rate of Interest"** means the initial rate of interest per annum specified as such in the relevant Final Terms;

**"Instalment Date"** means the instalment date as specified in the relevant Final Terms;

**"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, 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., and as amended and supplemented as at the Issue Date of the first Tranche of Notes of the relevant Series (as specified in the relevant Final Terms);

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction

(i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms as determined by the Calculation Agent); provided, however, that if (A) the Issuer (in consultation with the Calculation Agent) determines that the Mid-Swap Floating Leg Benchmark Rate has ceased to be calculated or administered and (B) an Independent Adviser appointed by the Issuer, or, if the Issuer is unable to appoint an Independent Adviser, the Issuer itself (in consultation with the Calculation Agent and acting in good faith and a commercially reasonable manner), determines that another rate (the "**Alternative Mid-Swap Floating Leg Benchmark Rate**") has replaced the Mid-Swap Floating Leg Benchmark Rate in customary market usage for setting rates comparable to the Mid-Market Swap Rate, then the Mid-Market Swap Rate shall be the mean of bid and offered rates determined as provided above but as if references therein to the Mid-Swap Floating Leg Benchmark Rate were references to the Alternative Mid-Swap Floating Leg Benchmark Rate with adjustments (if any) as may (in the determination of the Calculation Agent) be necessary to take account of any adjustment factor to make such rates comparable to rates quoted on the basis of the Mid-Swap Floating Leg Benchmark Rate;

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 4(b)(ii) (*Fallback Provision for Resettable Notes*), either:

- (viii) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Resettable Note Reset Date,
 which appears on the Relevant Screen Page; or
- (ix) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Resettable Note Reset Date,
 which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent provided, however, that if there is no such rate appearing on the Relevant Screen Page for a term equal to the relevant Reset Period, then the Mid-Swap Rate shall be determined through the use of straight-line interpolation by reference to two rates, one of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period;

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"**Mid-Swap Floating Leg Benchmark Rate**" means:

- (i) where the Specified Currency is a currency other than euro, LIBOR; and
- (ii) where the Specified Currency is euro, EURIBOR;

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the Notes 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;

**"Resetable Business Day"** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Centre(s) specified for this purpose in the relevant Final Terms;

**"Reset Determination Date"** means:

- (i) in respect of the First Reset Period, the second Resetable Business Day prior to the First Resetable Note Reset Date;
- (ii) in respect of the first Subsequent Reset Period, the second Resetable Business Day prior to the Second Resetable Note Reset Date; and
- (iii) in respect of each Reset Period thereafter, the second Resetable Business Day prior to the first day of each such Reset Period;

**"Reset Period"** means the First Reset Period or a Subsequent Reset Period;

**"Resetable Note Margin"** means the margin specified as such in the relevant Final Terms;

**"Resetable Note Reset Date"** means the First Resetable Note Reset Date, the Second Resetable Note Reset Date and every Subsequent Resetable Note Reset Date as may be specified as such in the relevant Final Terms;

**"Second Resetable Note Reset Date"** means the date specified as such 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;

**"Subsequent Reset Period"** means the period from and including the Second Resetable Note Reset Date to but excluding the next Resetable Note Reset Date, and each successive period from and including a Resetable Note Reset Date to but excluding the next succeeding Resetable Note Reset Date;

**"Subsequent Reset Rate of Interest"** means, in respect of any Subsequent Reset Period:

- (a) if "Mid-Swap Rate" is specified as the benchmark in the relevant Final Terms, and subject to Condition 4(b)(ii) (*Fallback Provision for Resetable Notes if "Mid-Swap Rate" is specified as the benchmark in the relevant Final Terms*), the rate of interest being

determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the applicable Subsequent Margin; or

- (b) if "Gilt Rate" is specified as the benchmark in the relevant Final Terms, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Gilt Rate plus the applicable Subsequent Margin;

**"Subsequent Resettable Note Reset Date"** means the date specified as such in the relevant Final Terms; 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.

- (k) **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 or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, 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 Senior Note and each Subordinated 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(e) (*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*), Condition 5(d) (*Redemption due to Capital Disqualification Event*) or Condition 5(e) (*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(d) (*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*), Condition 5(d) (*Redemption due to Capital Disqualification Event*) or Condition 5(e) (*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 Calculation Agent (or, if there is no Calculation Agent, 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 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 (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 (subject, in the case of the Subordinated Notes, to the provisions of Condition 5(j) (*Redemption of Subordinated Notes*)) 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 Issuer would not be entitled to claim a deduction in respect of any payments of interest in respect of any of the Notes of such Series in computing its taxation liabilities (or the value of such deduction would be materially reduced); 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 unable to make a deduction referred to in paragraph (ii) above were a payment in respect of the Notes of that Series then due 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 due to Capital Disqualification Event:** Any Series of Subordinated Notes may, subject to the provisions of Condition 5(j) (*Redemption of Subordinated Notes*) 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), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that a Capital Disqualification Event has occurred and is continuing.

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(d) (*Redemption due to Capital Disqualification Event*), the Issuer shall deliver to the Trustee a certificate signed by two Directors stating that a Capital Disqualification Event has occurred and is continuing, and 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.

The following expressions have the following meanings:

**"Applicable Rules"** means, at any time, the applicable laws, regulations, requirements, guidelines and policies relating to capital adequacy (including, without limitation, as to leverage) then in effect in the United Kingdom including, without limitation to the generality of the foregoing, CRD IV and any delegated or implementing acts (such as implementing or regulatory technical standards) adopted by the European Commission that are applicable to the Issuer from time to time and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the PRA

(whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer or the Issuer and any holding or subsidiary company of it or any subsidiary of any such holding company);

"**Capital Disqualification Event**" is deemed to have occurred if, at any time the Issuer is required under the Applicable Rules to have Tier 2 capital, the Notes would no longer be eligible under the Applicable Rules to qualify fully (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital) for inclusion in the Tier 2 capital of the Issuer on a solo and/or consolidated basis;

"**CRD IV**" means the CRD IV Directive and the CRD IV Regulation;

"**CRD IV Directive**" means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of the credit institutions and investment firms, as amended, supplemented or replaced from time to time;

"**CRD IV Regulation**" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended, supplemented or replaced from time to time; and

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

- (e) **Redemption following Hedging Disruption:** Unless this Condition 5(e) is specified as not applicable in the relevant Final Terms, and subject in the case of a Series of Subordinated Notes to Condition 5(j) (*Redemption of Subordinated Notes*), if in relation to a Series of Notes the Calculation Agent or (if there is no Calculation Agent) 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 Calculation Agent or, if there is no Calculation Agent, the Issuer, in its sole and absolute discretion.

- (f) **Redemption at the Option of the Issuer:** If Call Option is specified in the relevant Final Terms, the Issuer may (subject, in the case of the Subordinated Notes to the provisions of Condition 5(j) (*Redemption of Subordinated Notes*)) and unless otherwise specified in the relevant 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.

- (g) **Redemption at the Option of Noteholders (other than holders of Subordinated Notes):** If Put Option is specified in the relevant Final Terms and the Notes are specified as Senior Notes in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Senior Note, upon the holder of such Senior Note giving not less than 15 nor more than 30 days' notice to the Issuer, redeem such Senior 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 Senior 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 Senior 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 Senior 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.

*Condition 5(g) (Redemption at the Option of Noteholders (other than holders of Subordinated Notes)) is not applicable to Subordinated Notes.*

- (h) **Purchases:** The Issuer, its Subsidiaries, any holding company of the Issuer or any subsidiary of such holding company may (subject, in the case of the Subordinated Notes, to Condition 5(j) (*Redemption of Subordinated Notes*)) in each case solely to the extent then required) 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.
- (i) **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.
- (j) **Redemption of Subordinated Notes:** In the case of Subordinated Notes, the Issuer may only exercise any right to redeem or purchase such Notes prior to their Maturity Date pursuant to Condition 5(c) (*Redemption for Taxation Reasons*), Condition 5(d) (*Redemption due to Capital Disqualification Event*), Condition 5(e) (*Redemption following Hedging Disruption*) or 5(f) (*Redemption at the Option of the Issuer*) if the Issuer has first:
- (A) obtained any Relevant Supervisory Consent; and
  - (B) in the case of a redemption pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or Condition 5(d) (*Redemption due to a Capital Disqualification Event*) where the date fixed for redemption falls before the fifth anniversary of the Issue Date, complied with the Regulatory Preconditions; and

- (C) if and to the extent then required under the prevailing Applicable Rules, either:
  - (x) replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (y) demonstrated to the satisfaction of the PRA that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any capital buffer requirements) by a margin that the PRA considers necessary at such time.

For these purposes, as between the Issuer and the Noteholders, the Issuer shall be deemed to have complied with items (A), (B) and (C) above (as and where applicable) if it has obtained a Relevant Supervisory Consent, and a certificate signed by two authorised signatories of the Issuer stating that it has obtained a Relevant Supervisory Consent delivered to the Trustee (who shall accept such certificate without further inquiry as sufficient evidence of the same) shall be conclusive and binding on the Noteholders.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the prevailing Applicable Rules permit the repayment or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 5(j), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

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

**"Regulatory Preconditions"** means in the case of a redemption pursuant to:

- (i) Condition 5(c) (*Redemption for Taxation Reasons*) before the fifth anniversary of the Issue Date, demonstrated to the satisfaction of the PRA that the relevant Taxation Event is a change in the applicable tax treatment of the relevant Subordinated Notes which is material and was not reasonably foreseeable on the Issue Date; or
- (ii) Condition 5(d) (*Redemption due to Capital Disqualification Event*) before the fifth anniversary of the Issue Date, demonstrated to the satisfaction of the PRA that the relevant change in the change in the regulatory classification of the relevant Subordinated Notes was not reasonably foreseeable on the Issue Date;

**"Relevant Supervisory Consent"** means, in relation to any redemption or purchase of any Subordinated Notes, any required permission of the PRA for such redemption or purchase under the prevailing Applicable Rules; and

**"Taxation Event"** means any of the applicable events or circumstances set out in items (i) to (iii) of Condition 5(c) (*Redemption for Taxation Reasons*).

## 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 (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 relevant 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 unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired 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 8 (*Prescription*)).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Resettable Note or Floating Rate Note, unmatured 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 unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured 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 8 (*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 in respect of any payments of interest and, if "Additional Amounts in relation to Principal" is specified in the relevant Final Terms as "Applicable", principal in respect of the Notes 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:

- (i) **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
- (ii) **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 or procedural requirements (including, without limitation, the provision of information) 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; or
- (iii) **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
- (iv) **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 EU.

In the event "Additional Amounts in relation to Principal" is specified in the relevant Final Terms as "Not Applicable", no such additional amounts shall be payable in respect of any payments of principal in respect of the Notes.

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 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 United States Inland Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, 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 FATCA 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) **Senior Notes:** This Condition 9(a) (*Senior Notes*) only applies to Senior Notes. 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 Senior 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 (a) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or substitution (i) on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders,

- (b) **Subordinated Notes:** This Condition 9(b) (*Subordinated Notes*) only applies to Subordinated Notes.

- (i) If default is made in the payment of any principal in respect of the Notes for a period of 14 days or more after the due date for the same, or in the payment of any interest for a period of 14 days or more after the date on which any payment of interest is due (each an "**Event of Default**"), the Trustee may, subject as provided in Conditions 11(a) and (b) (*Enforcement*), at its discretion and without further notice, institute proceedings for the winding-up of the Issuer in England (but not elsewhere) and/or prove in any winding-up or administration of the Issuer (whether in England or elsewhere), but may take no other action in respect of such default.

*The right to institute winding up proceedings is limited to circumstances where the relevant payment of principal or interest (as the case may be) has become due.*

- (ii) The Trustee may, subject as provided in Conditions 11(a) and (b) (*Enforcement*), institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed or the Notes (other than any obligation for payment of any principal or interest in respect of the Notes or any other payment obligation in respect thereof including any damages for breach of any obligation) **provided that** the Issuer shall not by virtue of any such proceedings (save for any proceedings for the winding-up of the Issuer) be obliged to pay (i) any sum or sums representing or measured by reference to principal or interest in respect of the Notes

sooner than the same would otherwise have been payable by it or (ii) any damages (save in respect of the Trustee's fees and expenses incurred by it in its personal capacity).

*The restriction in Condition 9(b)(ii) (Subordinated Notes) on the payment of damages has the effect of limiting the remedies available to the Trustee and the Noteholders in the event of a breach of certain covenants (other than payment covenants) by the Issuer.*

- (iii) If in the event of the commencement of the winding-up of the Issuer (except in any such case a winding-up for the purpose of a reconstruction, amalgamation, merger, consolidation or the substitution in place of the Issuer of a successor in business the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders) (also an "**Event of Default**"), the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or so directed by an Extraordinary Resolution of the Noteholders shall, (subject to it first being indemnified and/or secured and/or prefunded to its satisfaction), (i) give notice to the Issuer that the Notes are immediately due and repayable (and the Notes shall thereby become so due and repayable) at their principal amount together with accrued interest as provided in the Trust Deed and/or (ii) prove in the winding-up or administration of the Issuer.

*The Issuer has undertaken in the Trust Deed forthwith to give notice in writing to the Trustee of the occurrence of any Event of Default referred to in Conditions 9(a)(i) and 9(a)(ii) (Senior Notes) and 9(b) (Subordinated Notes) above.*

#### 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 or (viii) (in the case of Subordinated Notes), modifying the provisions regarding subordination, 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 90 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(c)(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.

No modification of the Trust Deed or these Conditions insofar as it relates to the terms and conditions of any Series of either Subordinated Notes shall be effected without the prior consent of, or notification to (and no objection being raised by), the PRA.

- (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.

No such substitution shall be effected in relation to any Series of Subordinated Notes without the prior consent of, or notification to (and no objection being raised by), the PRA.

- (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**

- (a) Without prejudice to Condition 9(b) (*Subordinated Notes*), 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.
- (b) In the case of Subordinated Notes, no remedy against the Issuer other than as referred to in Condition 9(b) (*Subordinated Notes*) shall be available to the Trustee, the Noteholders or the Couponholders whether for the recovery of amounts owing in respect of the Subordinated Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Subordinated Notes or under the Trust Deed.

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 Bank plc

Issue of Aggregate Nominal Amount of Tranche Title of Notes

under the £6,000,000,000 Euro Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

**[IMPORTANT – PROHIBITION OF SALES TO EEA 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**"). 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 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[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.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 19 October 2018 [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive 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 [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and, during normal working hours, Investec Bank 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 2009/2010/2011/2012/2013/2014/2015/2016/2017 Conditions which are defined in, and incorporated by reference into, the Base Prospectus dated 19 October 2018. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 19 October 2018 [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. 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 dated 19 October 2018 [and the supplemental Prospectuses dated [•] and [•]]. The Base Prospectus [and the supplemental Prospectuses] [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 [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and, during normal working hours, Investec Bank 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 " <b>Original Issue</b> ") 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]<br>[[•] per cent. Resettable Rate]<br>[[LIBOR/EURIBOR]] +/- [•] per cent. Floating Rate]<br>[Zero Coupon]                            |
| 9.  |        | Redemption/Payment Basis:                             | [Redemption at par]<br>[Instalment]   |
| 10. |        | Put/Call Options:                                     | [Investor Put]<br>[Issuer Call]   |
| 11. | (i)    | Status of the Notes:                                  | [Senior Note] [Subordinated Note]   |
|     | (ii)   | Date [Board] approval for issuance of Notes obtained: | [•]<br>[Not Applicable]   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |                                   |   |
|-----|-----------------------------------|---|
| 12. | <b>Fixed Rate Note Provisions</b> | [Applicable/Not Applicable]   |
|     |                                   | <i>(If Not Applicable, delete the remaining subparagraphs of this paragraph.)</i> |

- (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]
13. **Resettable Note provisions:** [Applicable][Not Applicable]
- (If Not Applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Initial Rate of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Resettable Note Margin: [+/-][•] per cent. per annum  
[Not Applicable]
- (iii) Interest Payment Date(s): [[•] in each year commencing on [•] and ending on [•]/[•] [months]]
- (iv) First Resettable Note Reset Date: [•][Not Applicable]
- (v) Second Resettable Note Reset Date: [•][Not Applicable]
- (vi) Subsequent Resettable Note Reset Dates: [•], [•][Not Applicable]
- (vii) Day Count Fraction: [Actual/Actual]  
[Actual/Actual – ISDA]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30/360]  
[30E/360]  
[30E/360 (ISDA)]  
[Actual/Actual – ICMA]  
[Other]
- (viii) Reset Determination Date(s): [[•] in each year][Not Applicable]
- (ix) Business Day Centre(s): [•]
- (x) Benchmark: [Mid-Swap Rate][Gilt Rate]
- (If Gilt Rate, delete the remaining sub-paragraphs of this paragraph.)*



- (xi) Relevant Screen Page: [•]
- (xii) Mid-Swap Rate: [Single Mid-Swap Rate][Mean Mid-Swap Rate]
- (xiii) Mid-Swap Maturity: [•]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If Not Applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (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] [ISDA Determination]
- (ix) Screen Rate Determination: [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) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- ISDA Definitions: [2006 Definitions] [2000 Definitions]
- (xi) Margin(s): [•][+/-][ ] per cent. per annum

- (xii) Minimum Rate of Interest: [•] per cent. per annum
  - (xiii) Maximum Rate of Interest: [•] per cent. per annum
  - (xiv) 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]
  - (xv) Day Count Fraction:
    - [Actual/Actual]
    - [Actual/Actual – ISDA]
    - [Actual/365 (Fixed)]
    - [Actual/360]
    - [30/360]
    - [30E/360]
    - [30E/360 (ISDA)]
    - [Actual/Actual – ICMA]
    - [other]
15. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If Not Applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Amortisation Yield: [[•] per cent. per annum]
- [As per Condition 5(b)(i)(B)]

## PROVISIONS RELATING TO REDEMPTION

16. **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: [•]
17. **Put Option (Senior Notes)** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note: [•] [per Calculation Amount]
18. **Final Redemption Amount of each Note** [•] [per Calculation Amount]
19. **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(e) [Applicable/Not Applicable] |

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

|     |   |  |
|-----|---|--|
| 20. | <b>Form of Notes:</b>   | <p>[Bearer Notes:</p> <p>[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]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]</p> <p>[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)]]</p> |
| 21. | Financial Centre(s):  | [Not Applicable] [•]   |
| 22. | Talons for future Coupons or Receipts to be attached to Definitive Notes: | [Yes] [No] [Not Applicable]  |
| 23. | Instalment Notes:   | [Applicable/Not Applicable]  |
|     | (a) Instalment Amount(s):   | [Not Applicable/[•]]   |
|     | (b) Instalment Date(s):   | [Not Applicable/[•]]   |
| 24. | Calculation Agent:  | <p>[•]</p> <p>[Not Applicable]</p>   |

## DISTRIBUTION

|     |   |   |
|-----|---|---|
| 25. | TEFRA Categorisation:                         | <p>[TEFRA D]</p> <p>[TEFRA C]</p> <p>[TEFRA Not Applicable]</p> <p>[Not Applicable]</p> |
| 26. | Stabilising Manager(s) (if any):              | [Not Applicable/[•]]  |
| 27. | Prohibition of Sales to EEA Retail Investors: | [Applicable][Not Applicable]  |

**TAXATION**

|     |   |                              |
|-----|---|------------------------------|
| 28. | Additional Amounts in relation to Principal | [Applicable][Not Applicable] |
|-----|---|------------------------------|

Signed on behalf of Investec Bank 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 Regulated 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 Regulated 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:]  
[S&P: [•]]  
[Moody's: [•]]  
[Fitch: [•]]

### 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, *société anonyme* and the relevant identification number(s) and address: [•]

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

## 6 THIRD PARTY INFORMATION

[[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.] [Not Applicable]

## 7 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]<br><br>[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)]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1. Initial Issue of Notes

If the Global Notes are stated in the relevant 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 relevant 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)(vii) (*Appointment of Agents*) and Condition 7(v) (*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, 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.

#### 4.10 **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.

### **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for its general corporate purposes including making intra-group loans.

## TAXATION

### 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 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.

#### *UK Withholding Tax on UK Source Interest*

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 UK Notes are and continue to be quoted Eurobonds, payments of interest on 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 EEA 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 regulated market (for the purposes of EU Directive 2004/39/EC (the Markets in Financial Instruments Directive)) (the "**Regulated Market**") of the London Stock Exchange.

In addition to the quoted Eurobonds exemption set out above:

- (a) Interest on UK Notes which do not constitute "regulatory capital securities" for the purposes of The Taxation of Regulatory Capital Securities Regulations 2013 (the "**2013 Regulations**") may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business.
- (b) Interest on UK Notes which are regulatory capital securities for the purposes of the 2013 Regulations may be paid without withholding or deduction for or on account of United Kingdom income tax. This exemption will not apply where there are arrangements, the main purpose, or one of the main purposes, of which is to obtain a tax advantage as a result of the application of the 2013 Regulations in respect of such Notes.

In all cases falling outside the exemptions described above, interest on UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) 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.

#### *Other Rules Relating to UK Withholding Tax*

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 above.

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.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders 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.

The references to "**interest**" and "**principal**" above mean "interest" and "principal" 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*) in Terms and Conditions 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 these 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.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer of the Notes (whether pursuant to Condition 10 (*Meetings of Noteholders, Modification, Waiver and Substitution*) in Terms and Conditions of the Notes or otherwise) and does not consider the tax consequences of any such substitution.

#### **EU Taxation**

*The following is a general description of certain non-United Kingdom tax considerations relating to the Notes. It does not purport to be a complete analysis of all non-United Kingdom tax considerations relating to 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. 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.*

#### *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 financial transactions tax (the "**FTT**") in Belgium, Germany, 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 the 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 the 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.

#### ***Withholding on account of U.S. tax under 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 certain payments it makes ("**foreign passthru payments**") 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.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. 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.



## SUBSCRIPTION AND SALE

The Dealer has, in a programme agreement most recently amended and restated on or about 19 October 2018 (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 Retail Investors

Unless the relevant Final Terms for each Tranche of Notes issued under this Programme specify the "Prohibition of Sales to EEA 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. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### 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.

The 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**

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

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 does not apply to the Issuer; and
- (b) 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 any Notes, in each case except in accordance with the South African exchange control regulations, the South African Companies Act, 2008 and any other applicable laws and regulations of South Africa in force from time to time. In particular, 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.

### **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.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, the Dealer has undertaken and each new Dealer will be required to undertake that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **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

### Authorisation

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 October 2009 and the update of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 16 October 2018.

### Listing and Admission to Trading

This document has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive 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 Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purpose of Directive 2004/39/EC.

### Documents Available

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuing and Paying Agent and the registered office of the Issuer:

- (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
- (ii) the Agency Agreement and the Programme Agreement;
- (iii) the Memorandum and Articles of Association of the Issuer;
- (iv) the audited consolidated annual financial statements of the Issuer in respect of the financial years ended 31 March 2018 and 31 March 2017, together with the auditor's reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (v) a copy of this Base Prospectus;
- (vi) any supplements to this Base Prospectus and any Final Terms and any other documents incorporated herein or therein by reference; and
- (vii) in the case of each issue of Notes admitted to trading on the Regulated Market of the London Stock Exchange subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### Clearing Systems

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 relevant Final Terms.

### Nominal Amount

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £6,000,000,000 (or its equivalent in other currencies), subject to increase pursuant to the terms of the Programme Agreement.

**Conditions for determining price**

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.

**Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer and its group since 31 March 2018, being the end of the most recent financial period for which it has published financial statements.

**Proposed Demerger and listing of Investec Asset Management**

On 14 September 2018, the board of directors of Investec plc and Investec Limited (the "**Investec Group**") announced that the Investec Asset Management business will become a separately listed entity. The demerger and the listing of Investec Asset Management are subject to regulatory, shareholder and other approvals, and is expected to be completed during the second half of 2019.

**Litigation**

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Base Prospectus which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer and/or its group.

**Auditors**

The audited consolidated financial statements of the Issuer for the financial years ended 31 March 2018 and 31 March 2017 have been audited without qualification by Ernst & Young LLP, chartered accountants, registered auditors and independent auditors whose address is 25 Churchill Place, Canary Wharf, London E14 5EY.

**Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

**Dealer may subscribe for Notes**

In respect of a Series of Notes, the Dealer may initially subscribe for some or all of the Notes. The Dealer may subsequently place such Notes in the secondary market or such Notes may subsequently be repurchased by the Issuer and cancelled.

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London EC2V 7QP

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**REGISTRAR AND TRANSFER AGENT**

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*To the Trustee as to the laws of England*

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