

IMPORTANT NOTICE

FOR DISTRIBUTION ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN "U.S. PERSONS" (AS DEFINED IN REGULATIONS OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")). NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO, OR TO ANY PERSON LOCATED OR RESIDENT IN, ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT.

MiFID II professionals/ECPs-only – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the Covered Bonds referred to in this Consent Solicitation Memorandum are not available to retail investors in the EEA or the U.K.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached consent solicitation memorandum (the **Consent Solicitation Memorandum**), whether received by e-mail or otherwise received as a result of electronic communication and you are therefore required to read this disclaimer page carefully before reading, accessing or making any other use of the Consent Solicitation Memorandum. In accessing, reading or making any other use of the Consent Solicitation Memorandum or by accepting the e-mail or electronic communication to which the Consent Solicitation Memorandum was attached, you shall be deemed (in addition to giving the representations set out below) to agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Lloyds Bank plc (the **Issuer**) and Lloyds Bank Corporate Markets plc (the **Solicitation Agent**) and/or Lucid Issuer Services Limited (the **Tabulation Agent**) as a result of such acceptance and access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meanings given to them in the Consent Solicitation Memorandum.

This Consent Solicitation Memorandum is addressed only to holders of Covered Bonds (as defined in the Consent Solicitation Memorandum) issued under the Lloyds Bank plc €60,000,000,000 Covered Bond Programme (the **Covered Bondholders**) who are persons to whom it may otherwise be lawful to distribute it and solicit consents from under applicable laws and regulations (**relevant persons**). It is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Consent Solicitation Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTHING IN THE CONSENT SOLICITATION MEMORANDUM OR THE ELECTRONIC TRANSMISSION THEREOF CONSTITUTES OR CONTEMPLATES AN OFFER OF, AN OFFER TO PURCHASE OR THE SOLICITATION OF AN OFFER TO SELL SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION. THE COVERED BONDS (AS DEFINED BELOW), AND THE GUARANTEES THEREOF, HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COVERED BONDS, AND THE GUARANTEES THEREOF, MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE CONSENT SOLICITATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE CONSENT SOLICITATION MEMORANDUM, IN WHOLE OR IN

PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE NOT PROVIDED THE ISSUER WITH THE CONFIRMATION DESCRIBED BELOW OR HAVE GAINED ACCESS TO THE CONSENT SOLICITATION MEMORANDUM CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED TO PARTICIPATE IN THE CONSENT SOLICITATIONS DESCRIBED IN THE CONSENT SOLICITATION MEMORANDUM.

Confirmation of Your Representation: By receiving the Consent Solicitation Memorandum, you are deemed to have confirmed to the Issuer, the Solicitation Agent and the Tabulation Agent that:

- (i) you are a holder or a beneficial owner of the Covered Bonds;
- (ii) you are not a person to or from whom it is unlawful to send the attached Consent Solicitation Memorandum or to solicit consents under the Consent Solicitation described in the attached Consent Solicitation Memorandum under applicable laws and regulations;
- (iii) you are not a U.S. person (as defined in Regulation S under the Securities Act), and are not acting for the account or benefit of any U.S. person, and that you are not located or resident in the United States;
- (iv) if you, or any Covered Bondholder you are acting as agent for, are in Canada or a resident of Canada, you or any Covered Bondholder you acting as agent for are (a) resident in either the province of Alberta, British Columbia, Ontario or Quebec and (b) an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions (**NI 45-106**) or section 73.3(1) of the *Securities Act* (Ontario), as applicable, and a “permitted client” as defined in section 1.1 of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing *Registrant Obligations* (**NI 31-103**);
- (v) you consent to delivery of the attached Consent Solicitation Memorandum by electronic transmission;
- (vi) you have understood and agreed to the terms set forth in this disclaimer;
- (vii) you are, and any beneficial owner of the Covered Bonds you represent or are acting for the account or benefit of, in each case on a non-discretionary basis, is an eligible counterparty or a professional client (each as defined in Directive 2014/65/EU (as amended, **MiFID II**)) in respect of the Covered Bonds; and
- (viii) you are not a Sanctions Restricted Person (as defined in the Consent Solicitation Memorandum).

The Consent Solicitation Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Solicitation Agent, the Bond Trustee, the Security Trustee and/or the Tabulation Agent or any person who controls, or is a director, officer, employee or agent of the Issuer, the Solicitation Agent and/or the Tabulation Agent, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Consent Solicitation Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Solicitation Agent and/or the Tabulation Agent.

You are reminded that the Consent Solicitation Memorandum has been delivered to you on the basis that you are a person into whose possession this Consent Solicitation Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and, save as referred to above, you may not nor are you authorised to deliver this Consent Solicitation Memorandum to any other person.

The distribution of this Consent Solicitation Memorandum in certain jurisdictions may be restricted by law and persons into whose possession this Consent Solicitation Memorandum comes are requested to inform themselves about, and to observe, any such restrictions.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitations are only for distribution or to be made available to persons located and resident outside the United States and who are not U.S. Persons (as defined in Regulation S under the United States Securities Act of 1933).

This document contains important information which should be read carefully before any decision is made in respect of these proposals. If you are in any doubt about any aspect of these proposals and/or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom) or from another appropriately authorised independent financial adviser and such other professional advice from your own professional advisors as you deem necessary.



LLOYDS BANK

LLOYDS BANK PLC

(incorporated with limited liability in England and Wales registered number 2065)

(the **Issuer**)

U.S.\$750,000,000 Series 2018-5 3.375 per cent. Fixed Rate Covered Bonds due November 2021 (ISIN: XS1907146671) (the Series 2018-5 Covered Bonds)

U.S.\$1,000,000,000 Series 2019-5 2.125 per cent. Fixed Rate Covered Bonds due July 2022 (ISIN: XS2031976082) (the Series 2019-5 Covered Bonds)

(each a Series and, together, the Covered Bonds)

CONSENT SOLICITATION MEMORANDUM

relating to the proposals to the eligible holders of its outstanding Covered Bonds to consent to the modification of the terms and conditions (the **Conditions**) of the relevant Series and consequential or related amendments to the transaction documents for the relevant Series of Covered Bonds such that the existing USD LIBOR interest basis specified in the relevant Final Terms and applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date of the relevant Covered Bonds (each such period, the **Extended Due for Payment Period**) is replaced by a SOFR interest basis, as proposed by the Issuer for approval by a separate extraordinary resolution of the holders of each such Series (each an **Extraordinary Resolution**), all as further described in this Consent Solicitation

Memorandum (each such invitation a **Consent Solicitation**)

	ISIN/Common Code	Final Maturity Date	Interest rate (per cent./per annum)	Outstanding principal amount*
Series 2018-5 Fixed Rate Covered Bonds	XS1907146671/ 190714667	15 November 2021	3.375 per cent. Fixed Rate	U.S.\$750,000,000 (of which U.S.\$130,580,000 is held by the Issuer)
Series 2019-5 Fixed Rate Covered Bonds	XS2031976082/ 2031976082	24 July 2022	2.125 per cent. Fixed Rate	U.S.\$1,000,000,000 (of which U.S.\$63,970,000 is held by the Issuer)

The Consent Solicitation is expected to expire at 4 p.m. (London time) (5 p.m. (CET)) on 1 December 2020 (such time and date, the "Expiration Deadline"). The deadlines set by any intermediary or Clearing System may be earlier than the deadlines set out in this document. Covered Bondholders that do not deliver a valid electronic voting instruction to the relevant Clearing System (a "Consent Instruction"), but who wish to attend and vote at the relevant Meeting by telephone or to be represented or to otherwise vote at the relevant Meeting, must make the necessary arrangements by the Expiration Deadline.

In light of the ongoing developments in relation to coronavirus (COVID-19), and current guidance issued by the U.K. government, it may become impossible or inadvisable to hold each relevant Meeting at a physical location. Accordingly, in accordance with the provisions of

the Trust Deed, the Issuer has requested that the Trustee prescribe appropriate regulations regarding the holding of the relevant Meeting via teleconference.

Any Covered Bondholder who indicates that they wish to participate in the teleconference for the relevant Meeting in person (rather than being represented by the Tabulation Agent) will be provided with further details about attending the relevant Meeting.

Any Covered Bondholder who has requested that their votes are included in a Consent Instruction to the Principal Paying Agent to appoint one or more representatives of the Tabulation Agent as their proxy to attend the relevant Meeting (and any adjourned Meeting) and to vote in the manner specified or identified in such Consent Instruction will be unaffected by these alternative regulations and will not be requested to take any further action.

The Issuer will take appropriate steps to ensure that only those who would otherwise be entitled to attend and vote at a physical meeting will be entitled to attend the teleconference.

No consent fee will be payable in connection with this Consent Solicitation.

*Any Principal Amount Outstanding of the Covered Bonds held by the Issuer or on behalf of any of the Issuer's Subsidiaries (including the LLP), the Issuer's holding company or any subsidiaries of such holding company as beneficial owner will be deemed not to remain outstanding for the purposes of the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series.

Solicitation Agent

LLOYDS BANK CORPORATE MARKETS PLC

This Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to any Consent Solicitation. If any Covered Bondholder is in any doubt as to the action it should take or is unsure of the impact of the implementation of the relevant Extraordinary Resolution, it is recommended to seek its own financial, legal, regulatory and other advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax, legal or other adviser. Any individual or company whose Covered Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the relevant Consent Solicitation or otherwise participate at the relevant meeting (including any adjourned meeting) at which the relevant Extraordinary Resolution is to be considered (each such meeting a Meeting and, together, the Meetings).

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of the manufacturers' product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended or superseded, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

IMPORTANT - PROHIBITION OF SALES TO EEA AND U.K. RETAIL INVESTORS: The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or the United Kingdom (**U.K.**). 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 MiFID II or (ii) a customer within the meaning of Directive 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or the U.K. has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or the U.K. may be unlawful under the PRIIPs Regulation.

CONSENT SOLICITATIONS

The Issuer is inviting the Covered Bondholders (as defined herein) to approve, by a separate Extraordinary Resolution of the holders of each Series, the relevant amendments to the Conditions, the Agency Agreement for each Series, the Term Advances of each Series and the Covered Bond Swap of each Series between the LLP, the Security Trustee and Lloyds Bank plc as Covered Bond Swap Provider, as set out in the Notice (as defined below).

Pursuant to each Consent Solicitation, the Issuer is also inviting each Covered Bondholder who is (a) located and resident outside the United States and not a U.S. person (as defined in Regulation S under the Securities Act), (b) an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client, in each case in respect of the relevant Covered Bonds and (c) otherwise a person to whom the relevant Consent Solicitation can be lawfully made and that may lawfully participate in the relevant Consent Solicitation (each, an **Eligible Covered Bondholder**), to provide a valid Consent Instruction in respect of the relevant Extraordinary Resolution.

Each Consent Solicitation is made on the terms and subject to the conditions contained in this Consent Solicitation Memorandum. Capitalised terms used in this Consent Solicitation Memorandum have the respective meanings given in "*Definitions*" or, where not defined therein, the Transaction Documents.

Before making a decision on whether to participate in the relevant Consent Solicitation(s) or otherwise participate at the Meeting(s) applicable to them, Covered Bondholders should carefully consider all of the information in this Consent Solicitation Memorandum and, in particular, the considerations described in Section 4 – Procedures in connection with the Consent Solicitations on page 52.

Key Terms and Conditions of the Consent Solicitations

Each Consent Solicitation commences on the date the Notice to Covered Bondholders is delivered.

The deadline for receipt by the Tabulation Agent of Consent Instructions from Covered Bondholders wishing to vote in respect of the relevant Extraordinary Resolution is 4 p.m. (London time) (5 p.m. (CET)) on 1 December 2020 (such time and date with respect to each Series, the **Expiration Deadline**).

Proposed Amendments

The purpose of each Consent Solicitation is to modify the Conditions of the relevant Series (as set out in the Trust Deed and completed by the Final Terms for the relevant Series and incorporated into the corresponding Term Advance) to convert the Interest Basis applicable during the Extended Due for Payment Period applicable to the relevant Series from "USD LIBOR" to "Compounded Daily SOFR" and to implement corresponding changes to the relevant Conditions, the Agency Agreement for each Series and the Covered Bond Swap Agreements of each Series, as further described under "*Background – Amendments to the Covered Bonds*" below and in the Notice (the **Proposed Amendments**).

Consent Conditions

The implementation of the relevant Consent Solicitation and the related Extraordinary Resolution will be conditional on:

- (a) the passing of the relevant Extraordinary Resolution; and
- (b) the quorum required for, and the requisite majority of votes cast at, the relevant Meeting being satisfied by Eligible Covered Bondholders only, irrespective of any participation at the relevant Meeting by

Ineligible Covered Bondholders (including, if applicable, the satisfaction of such condition at an adjourned Meeting as described in "*Meeting*" below) (the **Eligibility Condition**),

(together, the **Consent Conditions**).

The Issuer will announce (i) the results of each Meeting and (ii) if any Extraordinary Resolution is passed, the satisfaction of the Eligibility Condition relating to that Extraordinary Resolution, as soon as reasonably practicable after the relevant Meeting and following such satisfaction. See "*Background - Announcements*".

Further information in relation to the Consent Solicitations, including the Proposed Amendments, is set out under "*Background*".

Meetings

A notice (the **Notice**) convening the Meetings to be held via teleconference on 4 December 2020 has been given to Covered Bondholders in accordance with the Conditions on the date of this Consent Solicitation Memorandum. The form of the Notice is set out Section 3 of this Consent Solicitation Memorandum.

The initial Meeting in respect of the:

- (i) Series 2018-5 Covered Bonds (the **Series 2018-5 Meeting**) will commence at 10.00 a.m. (London time) (11.00 a.m. CET); and
- (ii) Series 2019-5 Covered Bonds (the **Series 2019-5 Meeting**) will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the Series 2018-5 Meeting (whichever is later).

At each Meeting, Covered Bondholders will be invited to consider and, if thought fit, vote in favour of the Extraordinary Resolution relating to the relevant Series, all as more fully described in the Notice. See "*Form of Notice of Covered Bondholder Meeting*".

The quorum required for each Meeting to consider the relevant Extraordinary Resolution is one or more persons present and holding or representing in aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the relevant Series for the time being outstanding. To be passed at the relevant Meeting, an Extraordinary Resolution requires a majority in favour consisting of at least 75 per cent. of the votes cast at such Meeting. The implementation of each Extraordinary Resolution is conditional on satisfaction of the Consent Conditions relating to that Extraordinary Resolution. If passed at a Meeting (or any adjournment thereof) duly convened and held in accordance with the Trust Deed, an Extraordinary Resolution shall be binding on all Covered Bondholders of the relevant Series, whether present or not at the relevant Meeting and whether or not voting.

Consent Instructions delivered by both Eligible Covered Bondholders and Ineligible Covered Bondholders will be taken into consideration for the purposes of determining whether the relevant quorum has been satisfied at any Meeting (or any adjournment thereof) and/or whether the requisite majority of votes have been cast in favour of the relevant Extraordinary Resolution. In the event that an Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, it is a term of each Extraordinary Resolution that the relevant Meeting shall be adjourned on the same basis as for a Meeting where the necessary quorum is not obtained. In such event, the relevant Extraordinary Resolution shall be proposed again to Covered Bondholders of the relevant Series at such adjourned Meeting for the purposes of determining whether it can be passed irrespective of participation by Ineligible Covered Bondholders at such adjourned Meeting and, if so, whether the Eligibility Condition will be satisfied in such circumstances. The quorum at any such adjourned Meeting will be one or more persons present holding or representing in aggregate not less than one-third of the Principal Amount Outstanding of the relevant Series for the time being outstanding. To be passed at the relevant Meeting (or any adjourned Meeting) an Extraordinary Resolution requires a majority in favour consisting of at least 75 per cent. of the votes cast at such Meeting (or adjourned Meeting).

In accordance with the procedures for participating in the Consent Solicitations and at the Meetings (see *Section 4 – Procedures in connection with the Consent Solicitations* and the Notice, as set out in "*Form of Notice of Covered Bondholder Meetings*"), each Covered Bondholder must confirm whether or not it is an Eligible Covered Bondholder. A Consent Instruction which does not include a confirmation as to whether the relevant Covered Bondholder is an Eligible Covered Bondholder or an Ineligible Covered Bondholder will be treated as not having been validly submitted and will be rejected.

Covered Bondholders should refer to the Notice for full details of the procedures in relation to the Meeting. See "*Form of Notice of Covered Bondholder Meetings*" below.

Consent Instructions

By submitting a Consent Instruction by the Expiration Deadline, a Covered Bondholder will instruct the Principal Paying Agent to appoint one or more representatives of the Tabulation Agent as its proxy to attend (via teleconference) the relevant Meeting (and any adjourned such Meeting) and to vote in the manner specified or identified in such Consent Instruction in respect of such Extraordinary Resolution.

It will not be possible to submit a Consent Instruction without at the same time giving such instructions to the Principal Paying Agent.

General

The above provisions relating to Consent Instructions do not affect the rights of Covered Bondholders to attend via teleconference and vote at the relevant Meeting or to make other arrangements to be represented or to vote at the relevant Meeting in accordance with the relevant Meeting Provisions.

The Issuer may, at its option and in its sole discretion, waive any condition of any Consent Solicitation at any time and may, if the Consent Conditions in respect of a Consent Solicitation or the other conditions to a Consent Solicitation (as described under "*Background – Conditions of the Consent Solicitation*" below) are not satisfied or waived, amend or terminate such Consent Solicitation (subject in each case to applicable law and the relevant Meeting Provisions and as provided in this Consent Solicitation Memorandum, and provided that no amendment may be made to the terms of the relevant Extraordinary Resolution). Details of any such waiver, amendment or termination will be announced as provided in this Consent Solicitation Memorandum by 9.00 a.m. (London time) (10:00 a.m. CET) the following Business Day after the relevant decision is made. See Section 5 "*Amendment and Termination*".

*Covered Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold their Covered Bonds when such intermediary would need to receive instructions from a Covered Bondholder in order for such Covered Bondholder to participate in, or to validly revoke their instruction to participate in, a Consent Solicitation by the deadlines specified in this Consent Solicitation Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission and (where permitted) revocation of Consent Instructions may be earlier than the relevant deadlines specified in this Consent Solicitation Memorandum.** See Section 4 – Procedures in connection with the Consent Solicitations.*

Questions and requests for assistance in connection with (i) the Consent Solicitations may be directed to the Solicitation Agent and (ii) the delivery of Consent Instructions may be directed to the Tabulation Agent, the contact details for which are on the last page of this Consent Solicitation Memorandum.

Nothing in this Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to sell any security in any jurisdiction and participation in any Consent Solicitation by a Covered Bondholder in any circumstances in which such participation is unlawful will not be accepted.

The Issuer accepts responsibility for the information contained in this Consent Solicitation Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Consent Solicitation Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Covered Bondholder is solely responsible for making its own independent appraisal of all matters (including those relating to the relevant Consent Solicitation, the Covered Bonds, the relevant Extraordinary Resolution and the Issuer) as such Covered Bondholder deems appropriate in evaluating, and each Covered Bondholder must make its own decision as to whether to consent to, the relevant Consent Solicitation or otherwise participate in the relevant Meeting. The Tabulation Agent, the Solicitation Agent and the Principal Paying Agent are the agent of the Issuer and owe no duty to any Covered Bondholder.

In accordance with normal practice, the Bond Trustee, the Security Trustee, the Tabulation Agent and the Principal Paying Agent have not been involved in the formulation of the Covered Bondholder Proposal outlined in this Consent Solicitation Memorandum or the Extraordinary Resolutions. The Bond Trustee, the Security Trustee, the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent and the LLP, express no opinion on, and make no representations as to the merits of, the Covered Bondholder Proposal outlined in this Consent Solicitation Memorandum or any Extraordinary Resolution.

None of the Bond Trustee, the Security Trustee, nor any of the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent or the LLP makes any representation that all relevant information has been disclosed to Covered Bondholders in or pursuant to the Notice of Covered Bondholder Meetings, this Consent Solicitation Memorandum or otherwise. Covered Bondholders of the relevant Series should take their own independent legal, financial, tax, regulatory or other advice on the merits and the consequences of voting in favour of the relevant Extraordinary Resolution, including any tax consequences, and on the impact of the implementation of the relevant Extraordinary Resolution. None of the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and the LLP is responsible for the accuracy, completeness, validity or correctness of the statements made in this Consent Solicitation Memorandum or omissions therefrom.

The delivery of this Consent Solicitation Memorandum shall not, under any circumstances, create any implication that the information contained in this Consent Solicitation Memorandum is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth in this Consent Solicitation Memorandum or in the affairs of the Issuer and/or the LLP or that the information in this Consent Solicitation Memorandum has remained accurate and complete. None of the Solicitation Agent, the Tabulation Agent, the Security Trustee, the Bond Trustee or the Principal Paying Agent or any of their respective agents accepts any responsibility for the information contained in this Consent Solicitation Memorandum.

None of the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent or the LLP or any other party to the Transaction Documents or any other person, except the Issuer, has independently verified, or assumes any responsibility for, the accuracy of the information and statements contained in this Consent Solicitation Memorandum.

This Consent Solicitation Memorandum does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer or any other entity. The distribution of this Consent Solicitation Memorandum may nonetheless be restricted by law in certain jurisdictions. Persons into whose possession this Consent Solicitation Memorandum comes are required by the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and the LLP to inform themselves about, and to observe, any such restrictions. This Consent Solicitation Memorandum does not constitute a solicitation in any circumstances in which such solicitation is unlawful. None of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and the LLP will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

No person has been authorised to make any recommendation on behalf of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent or the LLP as to whether or how a Covered Bondholder should vote in connection with any Extraordinary Resolution. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained herein. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent or the LLP.

This Consent Solicitation Memorandum is issued and directed only to the Covered Bondholders and no other person shall, or is entitled to, rely or act on, or be able to rely or act on, its contents, and it should not be relied upon by any Covered Bondholder for any purpose other than the Consent Solicitation.

The Issuer, the Solicitation Agent and the Principal Paying Agent are entitled to have or hold positions in the Covered Bonds either for their own account or for the account, directly or indirectly, of third parties and may make or continue to make a market in, or subject to the provisions of the Trust Deed, vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Covered Bonds and may or may not, subject to the provisions of the Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of the Covered Bonds. The Issuer, and the Solicitation Agent are entitled to continue to hold or dispose of, in any manner it may elect, the Covered Bonds that it may hold as at the date of this Consent Solicitation Memorandum or, from such date, to acquire further Covered Bonds, subject to applicable law and may or may not, subject to the provisions of the Trust Deed, submit or deliver valid Consent Instruction or Ineligible Holder Instructions in respect of such Covered Bonds. For the avoidance of doubt, any Covered Bonds held by the Issuer shall be deemed not to be outstanding. No such submission or non-submission by the Solicitation Agent, the Issuer or the Tabulation Agent should be taken by any holder of Covered Bonds or any other person as any recommendation or otherwise by any of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and the LLP, as the case may be, as to the merits of participating or not participating in the Consent Solicitation.

Each person receiving this Consent Solicitation Memorandum is deemed to acknowledge that such person has not relied on the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent, the LLP or any other party to the Transaction Documents in connection with its decision on how to vote in relation to any Extraordinary Resolution. Each such person must make its own analysis and investigation regarding the Covered Bondholder Proposal and make its own voting decision, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such voting decision. If such person is in any doubt about any aspect of the Covered Bondholder Proposal and/or the action it should take, it should consult its professional advisers.

The date of this Consent Solicitation Memorandum is 9 November 2020.

CONTENTS

Section	Page
Timetable.....	12
Section 1 – Background	15
Section 2 – Covered Bondholder Proposal.....	23
Section 3 – Form of Notice of Covered Bondholder Meetings	25
Annex A	43
Annex B.....	49
Section 4 – Procedures in connection with the Consent Solicitations.....	52
Section 5 – Amendment and Termination.....	64
Section 6 – Definitions	67

TIMETABLE

Set out below is an indicative timetable showing one possible outcome for the timing of the Consent Solicitations, which will depend, among other things, on timely receipt (and non-revocation) of instructions, the rights of the Issuer (where applicable) to extend, waive any condition of, amend and/or terminate any Consent Solicitation (other than the terms of the relevant Extraordinary Resolution) as described in this Consent Solicitation Memorandum and the passing of each Extraordinary Resolution at the initial Meeting for the relevant Series. Accordingly, the actual timetable may differ significantly from the timetable below.

In relation to the times and dates indicated below, the Covered Bondholders holding Covered Bonds in Euroclear or Clearstream, Luxembourg (each, a **Clearing System**) should note the particular practices and policies of the relevant Clearing System regarding their communications deadlines, which will determine the latest time at which instructions may be delivered to the relevant Clearing System (which may be earlier than the deadlines set out below) so that they are received by the Tabulation Agent within the deadline set out below.

The Covered Bondholders who are not direct accountholders in the Clearing Systems should read carefully the provisions set out in the "Voting and Quorum" section of the Notice of Covered Bondholder Meeting which accompanies this Consent Solicitation Memorandum, and the provisions set out in the *Section 4 – Procedures in connection with the Consent Solicitations* section of this Consent Solicitation Memorandum.

Covered Bonds held through Euroclear or Clearstream, Luxembourg

The beneficial owners of the Covered Bonds that are held in the name of a broker, dealer, bank, custodian, trust company or other nominee or custodian should contact such entity sufficiently in advance of the relevant date if they wish to submit the appropriate Consent Instructions or Ineligible Holder Instructions and procure that the Covered Bonds are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

The Covered Bondholders should note that voting certificates obtained, Consent Instructions or Ineligible Holder Instructions or forms of proxies given in respect of the Meeting shall remain valid for any adjourned Meeting unless validly revoked.

Date/Time

Action

9 November 2020
*(At least 21 clear
days before the
Meeting)*

1. Notice of the Meetings to be delivered to the Clearing Systems.

Release of Notice through the regulatory news service of the London Stock Exchange.

Copies of this Consent Solicitation Memorandum to be available from the Tabulation Agent and the Covered Bondholder Information (as defined in the Notice) to be available for inspection, as indicated, at the specified office of the Principal Paying Agent and on the website of the Issuer (<https://www.lloydsbankinggroup.com/investors/fixed-income-investors/consent-solicitation>) (the **Issuer's Website**). From this date, Covered Bondholders may arrange for Covered Bonds held by Clearstream, Luxembourg and/or Euroclear in their accounts to be blocked in such accounts and held to the order and under the control of the Principal Paying Agent in order to obtain voting certificates or give valid Consent Instructions or Ineligible Holder Instructions, to the Tabulation Agent.

The Notice is deemed to be served to the Covered Bondholders on 12 November 2020.

By 4 p.m. (London time) (5 p.m. CET) on 1 December 2020
(At least 48 hours before the Meeting)

2. Expiration Deadline.
- Final time by which Covered Bondholders have arranged for:
- (i) obtaining a voting certificate from the Principal Paying Agent to attend (via teleconference) and vote at the Meeting; or
 - (ii) receipt by the Tabulation Agent of valid Consent Instructions or Ineligible Holder Instruction in accordance with the procedures of Clearstream, Luxembourg and/or Euroclear.
3. Final time by which Covered Bondholders have given notice to the Tabulation Agent (via the relevant Clearing Systems) of any intended revocation of, or amendment to, Consent Instructions or Ineligible Holder Instructions previously given by them.

From 10 a.m. (London time) (11 a.m. CET) on 4 December 2020

4. **COVERED BONDHOLDERS' MEETINGS HELD**
- The initial Meeting in respect of the:
- (i) Series 2018-5 Covered Bonds (the **Series 2018-5 Meeting**) will commence at 10.00 a.m. (London time) (11.00 a.m. CET); and
 - (ii) Series 2019-5 Covered Bonds (the **Series 2019-5 Meeting**) will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the Series 2018-5 Meeting (whichever is later).

If the relevant Extraordinary Resolution is passed at the relevant Meeting:

As soon as reasonably practicable after the Meetings

5. Announcement of the results of the relevant Meetings and, if the relevant Extraordinary Resolutions are passed, satisfaction of the Eligibility Condition.
- Delivery of notice of such results to Euroclear and Clearstream, Luxembourg for communication to their account holders and an announcement released on the regulatory news service of the London Stock Exchange.

At or around 2 p.m. (London time) (3 p.m. CET) on 4 December 2020 (Pricing Date)

6. **Pricing Time and Pricing Date**
- Solicitation Agent to calculate the relevant Adjusted Margin and relevant USD LIBOR vs SOFR Interpolated Basis in respect of each Series.
- A pricing announcement will be sent to relevant Covered Bondholders as soon as practicable following the Pricing Time on the Pricing Date.

- (Effective Date)**
7. If the relevant Extraordinary Resolution is passed at the relevant initial Meeting (or at a subsequent adjourned Meeting) and the Eligibility Condition is satisfied, the modifications to the Conditions of each relevant Series described in this Consent Solicitation Memorandum will be implemented with effect on and from 4 December 2020 (the **Effective Date**).

If a quorum is not achieved at a Meeting or the quorum is achieved and the relevant Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, such Meeting shall be adjourned and the adjourned Meeting of Covered Bondholders for that Series will be held at such time as will be notified to the Covered Bondholders in the notice of adjourned Meeting.

If the Extraordinary Resolution is passed at the adjourned Meeting and the Eligibility Condition is satisfied in respect of the relevant Series, the modifications with respect to such Series described in this Consent Solicitation Memorandum will be implemented on the Effective Date.

SECTION 1 – BACKGROUND

1. INTRODUCTION

Set out in this section of the Consent Solicitation Memorandum is the background to the Covered Bondholder Proposal (as defined in Section 2 of the Consent Solicitation Memorandum) being tabled for the consideration at each of the Meetings (as defined in the Notice).

GENERAL BACKGROUND

The UK Financial Conduct Authority (**FCA**) has confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark (including US dollar rates for the purposes of quoting USD LIBOR) after the end of 2021 and expects that some panel banks will cease contributing to LIBOR panels at such time. In the U.S., the Alternative Reference Rates Committee (**ARRC**) has been convened by the Federal Reserve Board and the Federal Reserve Bank of New York and comprises a diverse set of private-sector entities, each with an important presence in markets affected by USD LIBOR, and a wide array of official-sector entities, including banking regulators, and other financial sector regulators, as *ex-officio* members.

ARRC has identified the Secured Overnight Financing Rate (**SOFR**) as the rate that represents best practice for use in certain new USD derivatives and other financial contracts. The Federal Reserve began to publish the Secured Overnight Financing Rate in April 2018. The Federal Reserve has also begun publishing historical indicative Secured Overnight Financing Rates going back to 2014.

The continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021, and regulators have urged market participants to take active steps to implement the transition to risk-free rates ahead of this deadline.

On the basis that, (i) for the Series 2018-5, the contingent period after the Final Maturity Date in November 2021 up to and including the Extended Due for Payment Date in November 2022 has a substantial duration post 2021 and (ii) for the Series 2019-5, the contingent period between the Final Maturity Date and the Extended Due for Payment Date of the Series 2019-5 falls after 2021, the Issuer has convened the Meetings for the purpose of enabling the relevant Covered Bondholders to consider and resolve, if they think fit, to approve the relevant Covered Bond Proposal (as further described in *Section 2 – Covered Bondholder Proposal*) by way of an Extraordinary Resolution in relation to the relevant Series implementing a change in Interest Basis which is solely applicable during the relevant Extended Due for Payment Period specified in the relevant Final Terms from USD LIBOR to SOFR and corresponding amendments to the relevant Term Advance and the relevant Covered Bond Swap Agreement.

The pricing methodology proposed for the amendment of the Margin on the conversion of the Interest Basis from USD LIBOR to SOFR uses only market observable screen spot rates. However, in light of the fact that the change in Interest Basis relates to Interest Periods which will not occur prior to the Final Maturity Date and otherwise has no impact upon the Interest Basis prior to the Final Maturity Date, these amendments will be implemented as soon as possible following the Pricing Date.

Covered Bondholders are urged to read (i) Sections 1 and 2 of this Consent Solicitation Memorandum which provide further background to the Covered Bondholder Proposal and (ii) the Covered Bondholder Information (as defined in the Notice) available for inspection at the specified office of the Principal Paying Agent and on the Issuer's Website, in each case in their entirety and in addition to the Notice.

For a description of the documents which will be included on the Issuer's Website, please see "*Documents Available for Inspection*" of the Notice.

2. SUMMARY OF PROPOSED CHANGES TO THE TRANSACTION DOCUMENTS

Amendments to the Covered Bonds

Series 2018-5 Covered Bonds

If the Extraordinary Resolution relating to the Series 2018-5 Covered Bonds (the **Series 2018-5 Extraordinary Resolution**) is passed and the Eligibility Condition relating to the Series 2018-5 Extraordinary Resolution is satisfied, in order to implement the change in Interest Basis from ‘USD LIBOR’ to ‘SOFR’ during the Extended Due for Payment Period applicable to the Series 2018-5 Covered Bonds, the Issuer intends to execute a supplemental trust deed (the **Series 2018-5 Supplemental Trust Deed**), a supplemental agency agreement (in order to facilitate the calculation of Compounded Daily SOFR (as set out in Annex A to the Notice) by the Principal Paying Agent) (the **Series 2018-5 Supplemental Agency Agreement**), an amended and restated Series 2018-5 Covered Bond Swap Agreement (the **Series 2018-5 Covered Bond Swap Agreement**) and an amended and restated Final Terms document relating to the Series 2018-5 Covered Bonds and incorporated into the corresponding Term Advance (the **Amended and Restated Series 2018-5 Final Terms**, together with the Series 2018-5 Supplemental Trust Deed, the Series 2018-5 Supplemental Agency Agreement and Series 2018-5 Covered Bond Swap Agreement, the **Series 2018-5 Amendment Documents**).

Series 2019-5 Covered Bonds

If the Extraordinary Resolution relating to the Series 2019-5 Covered Bonds (the **Series 2019-5 Extraordinary Resolution**) is passed and the Eligibility Condition relating to the Series 2019-5 Extraordinary Resolution is satisfied, in order to implement the change in Interest Basis from ‘USD LIBOR’ to ‘SOFR’ during the Extended Due for Payment Period applicable to the Series 2019-5 Covered Bonds, the Issuer intends to execute a supplemental trust deed (the **Series 2019-5 Supplemental Trust Deed**), a supplemental agency agreement (in order to facilitate the calculation of Compounded Daily SOFR (as set out in Annex A to the Notice) by the Principal Paying Agent) (the **Series 2019-5 Supplemental Agency Agreement**), an amended and restated Series 2019-5 Covered Bond Swap Agreement (the **Series 2019-5 Covered Bond Swap Agreement**) and an amended and restated Final Terms document relating to the Series 2019-5 Covered Bonds and incorporated into the corresponding Term Advance (the **Amended and Restated Series 2019-5 Final Terms**, together with the Series 2019-5 Supplemental Trust Deed, the Series 2019-5 Supplemental Agency Agreement and the Series 2019-5 Covered Bond Swap Agreement, the **Series 2019-5 Amendment Documents**) and together with the 2018-5 Amendment Documents, the **Amendment Documents**).

The Amendment Documents (with the exception of the Amended and Restated Series 2018-5 Final Terms and the Amended and Restated Series 2019-5 Final Terms) will, where applicable, also be executed by the Bond Trustee and the Security Trustee, as applicable, acting on the authority granted by the relevant Extraordinary Resolution(s).

For Covered Bondholders' convenience, certain of the principal changes that will be made by way of each Amended and Restated Final Terms are described below in order to summarise for Covered Bondholders the main effect of the Extraordinary Resolutions (if approved and implemented). The information set out below is a summary only, and is qualified by the more detailed information contained in this Consent Solicitation Memorandum and in the draft Amended and Restated Final Terms each of which is available to Covered Bondholders as described under "*Form of Notice of Covered Bondholder Meetings – Documents Available for Inspection*" (all of which Covered Bondholders should consider carefully before any decision is made with respect to any Consent Solicitation and/or any Extraordinary Resolution).

Item in Final Terms

Provision in current Final Terms

Summary of Provision in Amended and Restated Final Terms

Series 2018-5 Final Terms

Change of Interest or
Redemption/Payment Basis:

From, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date, the following Interest provisions apply:

Interest Basis: 1 Month U.S.\$ LIBOR + 0.32 per cent. per annum Floating Rate

Screen Rate Determination: Applicable

Reference Rate: 1 Month U.S.\$ LIBOR

Relevant Financial Centre: London, New York

Interest Determination Date(s): Two London Business Days prior to the start of each Interest Period

Relevant Screen Page: Reuters U.S.\$ LIBOR 01

Specified Interest Payment Dates: 15th day of each month, from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention. The first floating rate Interest Payment Date shall be 15 December 2021

Business Day Convention: Modified Following Business Day Convention

Business Day(s): London

Additional Business Centre(s): New York

Interest Period: The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the next following Interest Payment Date and subsequent Interest Periods will be from and including an Interest Payment Date to but excluding the next following Interest Payment Date up to but excluding the Extended Due for Payment Date

Day Count Fraction: Actual/360 (adjusted)

From, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date the following Interest provisions apply:

Specified Interest Payment Dates: 15th day of each month, from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention. The first floating rate Interest Payment Date shall be 15 December 2021.

Interest Period: The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the next following Interest Payment Date and subsequent Interest Periods will be from and including an Interest Payment Date to but excluding the next following Interest Payment Date up to but excluding the Extended Due for Payment Date

Business Day Convention: Modified Following Business Day Convention.

Business Day(s): U.S. Government Securities Business Days

Additional Business Centre(s): Not Applicable

Relevant Financial Centre: Not Applicable

Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination

Screen Rate Determination: Applicable

Calculation Method: Compounded Daily

Reference Rate: Compounded Daily SOFR

Interest Determination Dates: The day that is the fifth U.S. Government Securities Business Day prior to the Interest Payment Date in respect of the relevant Interest Period

Relevant Screen Page: SOFFRATE

Relevant time: 5 p.m. New York time

Observation Method: Lag

Observation Look-back Period: 5 U.S. Government Securities Business Days

Relevant Benchmarks

-

Margin: [*Adjusted Margin to be calculated on the Pricing Date as set out in Annex B to the Notice*].

Day Count Fraction: Actual/360 Fixed (adjusted).

Benchmark Administrator: Federal Reserve Bank of New York

The Federal Reserve Bank of New York 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 Benchmarks Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**).

As far as the Issuer is aware, SOFR does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that Regulation, such that the administrator of SOFR is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Series 2019-5 Final Terms

Change of Interest Redemption/Payment Basis:

or

From, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date, the following Interest provisions apply:

Interest Period: The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the next following Interest Payment Date and subsequent Interest Periods will be from and including an Interest Payment Date to but excluding the next following Interest Payment Date up to but excluding the Extended Due for Payment Date

Specified Interest Payment Dates: 24th day of each month, from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention. The

From, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date the following Interest provisions apply:

Specified Interest Payment Dates: 24th day of each month, from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention. The first floating rate Interest Payment Date shall be 24 August 2022.

Interest Period: The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the next following Interest Payment Date and subsequent Interest Periods will be from and including an Interest Payment Date to but excluding the next following Interest Payment Date up to but excluding the Extended Due for Payment Date

Business Day Convention: Modified Following Business Day Convention.

first floating rate Interest Payment Date shall be 24 August 2022.	Business Day(s): U.S. Government Securities Business Days
Interest Basis: 1 Month U.S.\$ LIBOR +0.36 per cent. per annum Floating Rate	Additional Business Centre(s): Not Applicable
Business Day Convention: Modified Following Business Day Convention	Relevant Financial Centre: Not Applicable
Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent): Not Applicable	Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
Screen Rate Determination: Applicable – Term Rate	Screen Rate Determination: Applicable
Reference Rate: 1 Month U.S.\$ LIBOR	Calculation Method: Compounded Daily
Relevant Financial Centre: London, New York	Reference Rate: Compounded Daily SOFR
Interest Determination Date(s): Two London Business Days prior to the start of each Interest Period	Interest Determination Dates: The day that is the fifth U.S. Government Securities Business Day prior to the Interest Payment Date in respect of the relevant Interest Period
Relevant Screen Page: Reuters U.S.\$ LIBOR01	Relevant Screen Page: SOFFRATE
Business Day(s): London	Relevant time: 5 p.m. New York time
Additional Business Centre(s): New York	Observation Method: Lag
Day Count Fraction: Actual/360	Observation Look-back Period: 5 U.S. Government Securities Business Days
	Margin: [<i>Adjusted Margin to be calculated on the Pricing Date as set out in Annex B to the Notice</i>].
	Day Count Fraction: Actual/360

Relevant Benchmarks

U.S.\$ LIBOR is provided by ICE Benchmark Administration Limited. As at the date hereof, ICE Benchmark Administration Limited appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.	Benchmark Administrator: Federal Reserve Bank of New York
	The Federal Reserve Bank of New York 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 Benchmarks Regulation (Regulation (EU) 2016/1011) (the Benchmarks Regulation).
	As far as the Issuer is aware, SOFR does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that Regulation, such that the administrator of SOFR is not currently required to obtain authorisation or registration (or, if located outside the European Union,

recognition, endorsement or equivalence).

Amendments to the Series 2018-5 Covered Bond Swap and the Series 2019-5 Covered Bond Swap

The Series 2018-5 Covered Bond Swap Agreement in respect of the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bond Swap Agreement in respect of the Series 2019-5 Covered Bonds will be amended and restated pursuant to the Series 2018-5 Covered Bond Swap Amendment Agreement and the Series 2019-5 Covered Bond Swap Amendment Agreement, in order to implement the change in Interest Basis from 'USD LIBOR' to 'SOFR' during the Extended Due for Payment Period applicable to the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds as described above.

Rating Agencies

Copies of the draft Amendment Documents, as referred to under "*Form of Notice of Covered Bondholder Meetings – Documents Available for Inspection*", have been reviewed by each of Fitch Ratings Limited (**Fitch**) and Moody's Investors Service Limited (**Moody's**). Fitch and Moody's have, based on the information provided to them, raised no comments in respect of the draft Amendment Documents.

Copies of the Amendment Documents have also been provided to the FCA in accordance with Regulation 20 of the Regulated Covered Bond Regulations.

Adjourned Meetings

In the event that (i) the necessary quorum for any Extraordinary Resolution for any reason (see "*Consent Solicitation - Meetings*") is not obtained or (ii) the necessary quorum is satisfied at a Meeting and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied in respect of such Meeting, the relevant Meeting will be adjourned for not less than 14 days nor more than 24 days. At any adjourned Meeting, one or more persons present and holding or representing in aggregate not less than one-third of the aggregate Principal Amount Outstanding of the relevant Series for the time being outstanding will form a quorum. Consent Instructions which are submitted in accordance with the procedures set out in this Consent Solicitation Memorandum in relation to a Meeting and which have not been subsequently revoked shall remain valid for any such adjourned Meeting. To be passed at the relevant adjourned Meeting, an Extraordinary Resolution requires a majority in favour consisting of at least 75 per cent. of the votes cast at such adjourned Meeting.

The holding of any adjourned Meeting will be subject to the Issuer giving at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) in accordance with the relevant Conditions and Meeting Provisions that such adjourned Meeting is to be held.

In the event of an adjourned Meeting being necessary the Pricing Date and the Effective Date for the Proposed Amendments will be different from those proposed in the Section entitled "Timetable" for the applicable Series. Any notice of an adjourned Meeting will confirm the proposed Pricing Date and Effective Date for such adjourned Meeting.

Conditions of the Consent Solicitations

Notwithstanding any other provision of the Consent Solicitations and in addition to (and not in limitation of) the Issuer's right to extend or amend any Consent Solicitation, and in addition to the requirement that the Consent Conditions be satisfied, the Issuer shall not be required to implement and may delay the implementation of, any Consent Solicitation, and may terminate any Consent Solicitation, if, before such time that the relevant Consent Solicitation is implemented, any of the following events or conditions exist or shall occur and remain in effect or shall be determined by the Issuer in its reasonable judgement to exist or have occurred:

- there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities in the European Union (EU) or the U.K., (ii) a material impairment in the trading market for debt, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in any member state of the EU or the U.K., (iv) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the EU or the U.K., (v) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the EU or the U.K. that would reasonably be expected to have a materially adverse effect on the Issuer or its affiliates' business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects or (vi) any significant adverse change in the EU or the UK securities or financial markets generally or, in the case of any of the foregoing existing on the date of this Consent Solicitation Memorandum, a material acceleration or worsening thereof;
- there exists an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the Issuer's judgement, would or would be reasonably likely to prohibit, prevent or materially restrict or delay implementation of the Consent Solicitations or that is, or is reasonably likely to be, materially adverse to the Issuer's business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects or those of its affiliates;
- there shall have been instituted or be pending any action or proceeding before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person that challenges the making of the Consent Solicitations or, in connection with the Consent Solicitations, that is, or is likely to be, in the Issuer's reasonable judgement, materially adverse to its business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects or those of its affiliates, or which would or might, in the Issuer's reasonable judgement, directly or indirectly prohibit, prevent, restrict or delay implementation of the Consent Solicitations or otherwise adversely affect the Consent Solicitations in any material manner;
- there exists any other actual or threatened legal impediment to any Consent Solicitation or any other circumstances that would materially adversely affect the transactions contemplated by any Consent Solicitation or the contemplated benefits of any Consent Solicitation to the Issuer or its affiliates;
- any trustee or agent pursuant to any applicable trust deed or agreement which governs the relevant Covered Bonds, shall have objected in any respect to or taken any action that would be likely, in the Issuer's reasonable judgement, to materially and adversely affect any Consent Solicitation or shall have taken any action that challenges the validity or effectiveness of the procedures used by the Issuer in making the Consent Solicitations or the implementation of the Consent Solicitation; or
- there shall have occurred any development which would, in the judgement of the Issuer, materially adversely affect its business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects or those of its affiliates.

The conditions described above are solely for the benefit of the Issuer, and may be asserted by the Issuer regardless of the circumstances giving rise to any such condition, and, where possible, may be waived by the Issuer, in whole or in part, at any time and from time to time before the final announcement of the results of the Meetings. Any failure by the Issuer at any time to exercise any of its rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

The above conditions are in addition to the Consent Conditions which require that the implementation of each Consent Solicitation and the related Extraordinary Resolution will be conditional on:

- (a) the passing of the relevant Extraordinary Resolution; and
- (b) satisfaction of the Eligibility Condition in respect of the relevant Meeting (or adjourned Meeting).

General conditions of the Consent Solicitations

The Issuer expressly reserves the right, in its sole discretion, to refuse to accept, or to delay acceptance of, Consent Instructions pursuant to any Consent Solicitation in order to comply with applicable laws and regulations. In all cases, a Consent Instruction will only be deemed to have been validly submitted once submitted in accordance with the procedures described in "*Procedures in connection with the Consent Solicitations*", which include the blocking of the relevant Covered Bonds in the relevant account in the Clearing Systems, as described in "*Procedures in connection with the Consent Solicitations*" below.

The Issuer may reject Consent Instructions which it considers in its reasonable judgement not to have been validly submitted in the relevant Consent Solicitation. **For example, Consent Instructions may be rejected and not accepted and may be treated as not having been validly submitted if any such instruction does not comply with the requirements of a particular jurisdiction.**

The failure of any eligible person to receive a copy of this Consent Solicitation Memorandum, the Notice or any other notice issued by the Issuer in connection with the Consent Solicitations and/or the Meetings shall not invalidate any aspect of any Consent Solicitation or Meeting. No acknowledgement of receipt of any Consent Instruction and/or any other documents will be given by the Issuer, the Solicitation Agent, the Bond Trustee, the Security Trustee, the Tabulation Agent or the Principal Paying Agent. A Consent Instruction which does not include a confirmation as to whether the relevant Covered Bondholder is an Eligible Covered Bondholder or an Ineligible Covered Bondholder will be treated as not having been validly submitted and will be rejected.

Separate Consent Instructions

Consent Instructions must be completed in respect of each Series. Consent Instructions may be submitted in respect of an aggregate principal amount of Covered Bonds of \$200,000 and multiples of \$1,000 thereafter.

Announcements

If the Issuer is required to make an announcement relating to matters in connection with the Consent Solicitations, any such announcement will be made in accordance with all applicable rules and regulations via (i) notices to the Clearing Systems for communication to the Covered Bondholders and (ii) an announcement released on the regulatory news service of the London Stock Exchange.

Copies of all announcements, notices and press releases can also be obtained from the Tabulation Agent, the contact details for which appear on the last page of this Consent Solicitation Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Covered Bondholders are urged to contact the Tabulation Agent for the relevant announcements during the course of the Consent Solicitations. In addition, Covered Bondholders may contact the Solicitation Agent for information using the contact details on the last page of this Consent Solicitation Memorandum.

SECTION 2 – COVERED BONDHOLDER PROPOSAL

1. INTRODUCTION

The proposal set out in this Consent Solicitation Memorandum is a proposal by the Issuer to the Covered Bondholders of the relevant Series to approve the relevant extraordinary resolution (each an **Extraordinary Resolution** and together the **Extraordinary Resolutions**) set out in *Section 3 – Form of Notice of Covered Bondholder Meetings* of this Consent Solicitation Memorandum. For further background on the Covered Bond Proposal, please see *Section 1 – Background* of this Consent Solicitation Memorandum.

2. COVERED BONDHOLDER PROPOSAL

The Issuer, under the Covered Bondholder Proposal, is requesting that the Covered Bondholders of each Series consider and if thought fit, approve the relevant Extraordinary Resolution. If approved by the Covered Bondholders of the relevant Series, the Extraordinary Resolution will be binding on all holders of such Series of Covered Bonds, including those Covered Bondholders who do not vote in favour of the relevant Extraordinary Resolution or who do not vote in connection with the relevant Extraordinary Resolution.

In order to implement the change in Interest Basis applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date of the relevant Series (each such period, the **Extended Due for Payment Period**) from 'USD LIBOR' to 'SOFR':

- (a) The Rate of Interest during the Extended Due for Payment Period for the relevant Series will continue to be a floating rate and will be SOFR plus an adjusted Margin (as described in paragraph (b) below and each an **Adjusted Margin**) as specified in the relevant Amended and Restated Final Terms. The detailed provisions relating to the calculation of Compounded Daily SOFR are set out in **Annex A** to the Notice.
- (b) The relevant Adjusted Margin will be the sum of relevant Margin and the USD LIBOR vs SOFR Interpolated Basis. The detailed provisions relating to the adjustment of the Margin for each Series and the calculation of the USD LIBOR vs SOFR Interpolated Basis by the Solicitation Agent are set out in **Annex B** to the Notice.

The relevant Adjusted Margin and the USD LIBOR vs SOFR Interpolated Basis will be announced to Covered Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable following the Pricing Time on the relevant Pricing Date.

It is also proposed, that the Covered Bond Swaps in respect of the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds will be amended and restated in order to implement the change in Interest Basis from 'USD LIBOR' to 'SOFR' during the Extended Due for Payment Period applicable to the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds as described above.

Each Extraordinary Resolution, if passed, constitutes (amongst others) a direction by the Covered Bondholders of each Series to the Bond Trustee and the Security Trustee to consent to and to concur in the amendments to the Final Terms, the Conditions of the relevant Series, the relevant Covered Bond Swap Agreement, the relevant Term Advance for each Series and the Agency Agreement to implement relevant changes to each Series and each Covered Bond Swap Agreement in order to change the Interest Basis applicable during the relevant Extended Due for Payment Period from 'USD LIBOR' to 'SOFR', as more fully set out in the Amended and Restated Series 2018-5 Final Terms and the Amended and Restated Series 2019-5 Final Terms (as applicable) (together, the **Amended and Restated Final Terms**) and Amended and Restated Series 2018-5 Covered Bond Swap Agreement

and the Amended and Restated Series 2019-5 Covered Bond Swap Agreement (as applicable) (together, the **Amended and Restated Covered Bond Swap Agreements**), together with the corresponding amendments as more fully set out in the other Amendment Documents and as may be necessary to give effect thereto, the **Covered Bondholder Proposal**.

3. SUBMISSION OF INSTRUCTIONS

Covered Bondholders are urged to deliver valid Consent Instructions or Ineligible Holder Instructions through the relevant Clearing Systems, as appropriate in accordance with the procedures of, and within the time limits specified by, the Clearing Systems, the relevant intermediaries and in this Consent Solicitation Memorandum for receipt no later than the Expiration Deadline.

The Covered Bondholders should read carefully the provisions set out in the "*Voting and Quorum*" of the Notice which accompanies this Consent Solicitation Memorandum (see *Section 3 - Form of Notice of Covered Bondholder Meetings* below), and the provisions set out in the *Section 4 - Procedures in connection with the Consent Solicitations* of this Consent Solicitation Memorandum.

4. IMPLEMENTATION

An Extraordinary Resolution, if passed and consented to (as appropriate) by the requisite majority of Eligible Covered Bondholders of the relevant Series will be implemented with effect on and from the relevant Pricing Date (each such date, the **Effective Date**) and will be effected by entry by all the required parties into the Amended and Restated Final Terms, the Supplemental Trust Deed and the Supplemental Agency Agreement in respect of each Series.

The documents referred to in the above paragraph are together referred to as the **Amendment Documents**. Copies of the latest drafts of the Amendment Documents and any notices provided pursuant to the Covered Bond Proposal will be available for inspection during normal business hours at the specified offices of the Principal Paying Agent on any weekday (public holidays excepted) and on the Issuer's Website up to and including the date of the Meetings and at the Meetings. Copies of the drafts of each of the proposed Amendment Documents will be available for viewing on the Issuer's Website. Nothing in the Covered Bondholder Proposal or in any other Section of this Consent Solicitation Memorandum requires the Issuer to implement all or any part of the Covered Bondholder Proposal, even if the Covered Bondholder Proposal is approved by an Extraordinary Resolution of the relevant Series of Covered Bondholders and the Consent Conditions have been satisfied.

Nothing in this Consent Solicitation Memorandum prevents any Covered Bondholder of the relevant Series from voting against the relevant Extraordinary Resolution.

SECTION 3 – FORM OF NOTICE OF COVERED BONDHOLDER MEETINGS

NOTICE OF COVERED BONDHOLDER MEETINGS

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF COVERED BONDHOLDERS.

If Covered Bondholders are in any doubt about any aspect of the proposals in this notice and/or the action they should take, they are recommended to seek their own financial advice immediately from their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if they are in the United Kingdom) or from another appropriately authorised independent financial adviser and such other professional advisor from their own professional advisors as they deem necessary.

FURTHER INFORMATION REGARDING THE MATTERS REFERRED TO IN THIS ANNOUNCEMENT IS AVAILABLE IN THE CONSENT SOLICITATION MEMORANDUM (THE "CONSENT SOLICITATION MEMORANDUM") ISSUED BY THE ISSUER TODAY, AND ELIGIBLE COVERED BONDHOLDERS (AS DEFINED BELOW) ARE ENCOURAGED TO READ THIS ANNOUNCEMENT IN CONJUNCTION WITH THE SAME.



LLOYDS BANK

LLOYDS BANK PLC

(incorporated with limited liability in England and Wales registered number 2065)
(the Issuer)

NOTICE OF SEPARATE COVERED BONDHOLDER MEETINGS

U.S.\$750,000,000 Series 2018-5 3.375 per cent. Fixed Rate Covered Bonds due November 2021 (ISIN: XS1907146671) (the Series 2018-5 Covered Bonds)

U.S.\$1,000,000,000 Series 2019-5 2.125 per cent. Fixed Rate Covered Bonds due July 2022 (ISIN: XS2031976082) (the Series 2019-5 Covered Bonds)

(each a Series and together the Covered Bonds, and the holders thereof, the Covered Bondholders) of the Issuer presently outstanding.

NOTICE IS HEREBY GIVEN that separate meetings (each a Meeting and together the Meetings) of the Covered Bondholders of each Series convened by the Issuer will be held via teleconference on 4 December 2020 for the purpose of considering and, if thought fit, passing the applicable resolution set out below which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 20 October 2008 as amended, restated, modified and/or supplemented from time to time (the Trust Deed) made between the Issuer, the LLP and BNY Mellon Corporate Trustee Services Limited (the Bond Trustee and Security Trustee) as bond trustee and security trustee for the Covered Bondholders and constituting the Covered Bonds.

The initial Meeting in respect of the:

- (i) Series 2018-5 Covered Bonds (the Series 2018-5 Meeting) will commence at 10 a.m. (London time) (11 a.m. CET); and

- (ii) Series 2019-5 Covered Bonds (the **Series 2019-5 Meeting**) will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the Series 2018-5 Meeting (whichever is later).

Capitalised terms used in this notice and not otherwise defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 9 November 2020 (the **Consent Solicitation Memorandum**), which is available for inspection by Eligible Covered Bondholders (as defined below) during normal business hours at the specified offices of the Principal Paying Agent on any weekday (public holidays excepted) and on the website of the Issuer (<https://www.lloydsbankinggroup.com/investors/fixed-income-investors/consent-solicitation>) (the **Issuer's Website**) up to and including the date of the Meetings (see "**Documents Available for Inspection**" below). In accordance with normal practice, the Bond Trustee, the Security Trustee, the Tabulation Agent and the Principal Paying Agent have not been involved in the formulation of the Covered Bondholder Proposals outlined in this Consent Solicitation Memorandum or the Extraordinary Resolutions. The Bond Trustee, the Security Trustee, the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent and the LLP, express no opinion on, and make no representations as to the merits of, the Covered Bondholder Proposal set out in the Consent Solicitation Memorandum, the relevant Extraordinary Resolution or the proposed amendments referred to in the relevant Extraordinary Resolution set out below.

None of the Bond Trustee, the Security Trustee, the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent or the LLP makes any representation that all relevant information has been disclosed to Covered Bondholders in or pursuant to this Notice, the Consent Solicitation Memorandum or otherwise. None of the Bond Trustee, the Security Trustee, the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent or the LLP has approved the draft amended Documents referred to in the relevant Extraordinary Resolution set out below and the Bond Trustee recommends that Covered Bondholders arrange to inspect and review such draft amended Documents as provided below in this Notice. Accordingly, Covered Bondholders of the relevant Series should take their own independent legal, financial, tax, regulatory or other advice on the merits and the consequences of voting in favour of the relevant Extraordinary Resolution, including any tax consequences, and on the impact of the implementation of the relevant Extraordinary Resolution.

None of the Bond Trustee, the Security Trustee, nor any of the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent or the LLP are responsible for the accuracy, completeness, validity or correctness of the statements made in the Consent Solicitation Memorandum or omissions therefrom.

Neither this Notice nor the Consent Solicitation Memorandum constitute or form part of, and should not be construed as, an offer for sale, exchange or subscription of, or a solicitation of any offer to buy, exchange or subscribe for, any securities of the Issuer or any other entity. The distribution of the Consent Solicitation Memorandum may nonetheless be restricted by law in certain jurisdictions. Persons into whose possession the Consent Solicitation Memorandum comes are required to inform themselves about, and to observe, any such restrictions.

BACKGROUND

The UK Financial Conduct Authority (**FCA**) has confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark (including US dollar rates for the purposes of quoting USD LIBOR) after the end of 2021 and expects that some panel banks will cease contributing to LIBOR panels at such time. In the U.S., the Alternative Reference Rates Committee (**ARRC**) has been convened by the Federal Reserve Board and the Federal Reserve Bank of New York and comprises a diverse set of private-sector entities, each with an important presence in markets affected by USD LIBOR, and a wide array of official-sector entities, including banking regulators, and other financial sector regulators, as *ex-officio* members.

ARRC has identified the Secured Overnight Financing Rate (**SOFR**) as the rate that represents best practice for use in certain new USD derivatives and other financial contracts. The Federal Reserve began to publish the Secured Overnight Financing Rate in April 2018. The Federal Reserve has also begun publishing historical indicative Secured Overnight Financing Rates going back to 2014.

The continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021, and regulators have urged market participants to take active steps to implement the transition to risk-free rates ahead of this deadline.

On the basis that, (i) for the Series 2018-5, the contingent period after the Final Maturity Date in November 2021 up to and including the Extended Due for Payment Date in November 2022 has a substantial duration post 2021 and (ii) for the Series 2019-5, the contingent period between the Final Maturity Date and the Extended Due for Payment Date of the Series 2019-5 falls after 2021, the Issuer has convened the Meetings for the purpose of enabling the relevant Covered Bondholders to consider and resolve, if they think fit, to approve the relevant Covered Bond Proposal (as further described below) by way of an Extraordinary Resolution in relation to the relevant Series implementing a change in Interest Basis which is solely applicable during the relevant Extended Due for Payment Period specified in the relevant Final Terms from USD LIBOR to SOFR and corresponding amendments to the relevant Term Advance.

The pricing methodology proposed for the amendment of the Margin on the conversion of the Interest Basis from USD LIBOR to SOFR uses only market observable screen spot rates. However, in light of the fact that the change in Interest Basis relates to Interest Periods which will not occur prior to the Final Maturity Date and otherwise has no impact upon the Interest Basis prior to the Final Maturity Date, these amendments will be implemented as soon as possible following the Pricing Date.

Copies of the draft Amended and Restated Final Terms, the Supplemental Trust Deeds, the Supplemental Agency Agreements and the Amended and Restated Covered Bond Swap Agreements relating to each Series (the **Amendment Documents**), as referred to in the Extraordinary Resolution below, have been reviewed by each of Fitch Ratings Limited (**Fitch**) and Moody's Investors Service Limited (**Moody's**). Fitch and Moody's have, based on the information provided to them, raised no comments in respect of the draft Amendment Documents.

COVERED BONDHOLDER PROPOSAL

Pursuant to the above, the Issuer has convened separate Meetings by the above notice to request that Covered Bondholders of each Series consider and agree by Extraordinary Resolution to the matters contained in the relevant Extraordinary Resolutions set out below.

The Issuer, under the Covered Bondholder Proposal, is requesting that the Covered Bondholders of the relevant Series consider and if thought fit, approve the relevant Extraordinary Resolution. If approved by the Covered Bondholders of the relevant Series, the Extraordinary Resolution will be binding on all holders of such Series of Covered Bonds, including those Covered Bondholders who do not vote in favour of the relevant Extraordinary Resolution or who do not vote in connection with the relevant Extraordinary Resolution.

In order to implement the change in Interest Basis applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date of the relevant Series (each such period, the **Extended Due for Payment Period**) from 'USD LIBOR' to 'SOFR':

- (a) The Rate of Interest during the Extended Due for Payment Period for the relevant Series will continue to be a floating rate and will be SOFR plus an adjusted Margin (as described in paragraph (b) below and each an **Adjusted Margin**) as specified in the relevant Amended and Restated Final Terms. The detailed provisions relating to the calculation of Compounded Daily SOFR are set out in **Annex A** to this Notice.
- (b) The relevant Adjusted Margin will be the sum of relevant Margin and the USD LIBOR vs SOFR Interpolated Basis. The detailed provisions relating to the adjustment of the Margin for each Series and the calculation of the USD LIBOR vs SOFR Interpolated Basis by the Solicitation Agent are set out in **Annex B** to this Notice.

The relevant Adjusted Margin and the USD LIBOR vs SOFR Interpolated Basis will be announced to Covered Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable following the Pricing Time on the relevant Pricing Date.

It is also proposed, that the Covered Bond Swaps in respect of the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds will be amended and restated in order to implement the change in Interest Basis from 'USD LIBOR' to 'SOFR' during the Extended Due for Payment Period applicable to the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds as described above.

Each Extraordinary Resolution, if passed, constitutes (amongst others) a direction by the Covered Bondholders of each Series to the Bond Trustee and the Security Trustee to consent to and to concur in the amendments to the Final Terms, the Conditions of the relevant Series, the relevant Covered Bond Swap Agreement, the relevant Term Advance for each Series and the Agency Agreement to implement relevant changes to each Series and each Covered Bond Swap Agreement in order to change the Interest Basis applicable during the relevant Extended Due for Payment Period from 'USD LIBOR' to 'SOFR', as more fully set out in the Amended and Restated Series 2018-5 Final Terms and the Amended and Restated Series 2019-5 Final Terms (as applicable) (together, the **Amended and Restated Final Terms**) and Amended and Restated Series 2018-5 Covered Bond Swap Agreement and the Amended and Restated Series 2019-5 Covered Bond Swap Agreement (as applicable) (together, the **Amended and Restated Covered Bond Swap Agreements**), together with the corresponding amendments as more fully set out in the other Amendment Documents and as may be necessary to give effect thereto, the **Covered Bondholder Proposal**).

The Covered Bondholder Proposal is being put to Covered Bondholders for the reasons set out in the Consent Solicitation Memorandum.

Covered Bondholders are referred to the Consent Solicitation Memorandum which provides further background to the Covered Bond Proposals and the reasons therefor.

CONSENT SOLICITATION

Covered Bondholders are further given notice that the Issuer has invited holders of the Covered Bonds of each Series (each such invitation a **Consent Solicitation**) to consent to the approval, by Extraordinary Resolution at the relevant Meeting, of the modification of the Conditions relating to the relevant Series as described in paragraph 1 of the relevant Extraordinary Resolution as set out below, all as further described in the Consent Solicitation Memorandum (as defined in paragraph 10 of the relevant Extraordinary Resolutions set out below).

The Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitations are only for distribution or to be made available to persons who are (i) located and resident outside the United States and who are not U.S. persons (as defined in Regulation S under the Securities Act) or acting for the account or benefit of any U.S. person, (ii) eligible counterparties or professional clients (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client, in each case in respect of the relevant Series of Covered Bonds and (iii) otherwise a person to whom the relevant Consent Solicitation can be lawfully made and that may lawfully participate in the relevant Consent Solicitation (all such persons **Eligible Covered Bondholders**).

Subject to the restrictions described in the previous paragraph, Covered Bondholders may obtain from the date of this Notice a copy of the Consent Solicitation Memorandum from the Tabulation Agent, the contact details for which are set out below. In order to receive a copy of the Consent Solicitation Memorandum, a Covered Bondholder will be required to provide confirmation as to his or her status as an Eligible Covered Bondholder.

**EXTRAORDINARY RESOLUTION
IN RESPECT OF THE U.S.\$750,000,000 3.375 PER CENT. SERIES 2018-5 COVERED BONDS DUE
NOVEMBER 2021**

"THAT this Meeting of the holders (together, the **Series 2018-5 Covered Bondholders**) of the presently outstanding U.S.\$750,000,000 3.375 per cent. Series 2018-5 Covered Bonds due November 2021 (the **Series 2018-5 Covered Bonds**) of Lloyds Bank plc (the **Issuer**), constituted by the trust deed dated 20 October 2008 as amended, restated, modified and/or supplemented from time to time (the **Trust Deed**) made between the Issuer, the LLP and BNY Mellon Corporate Trustee Services Limited (the **Bond Trustee** and the **Security Trustee**) as bond trustee and security trustee for, *inter alios*, the Series 2018-5 Covered Bondholders:

1. (subject to paragraph 9 of this Extraordinary Resolution) assents to the modification of:
 - (a) the terms and conditions of the Series 2018-5 Covered Bonds (the **Conditions**) (together with corresponding modifications to the Series 2018-5 Term Advance), as set out in Schedule 1 to the Trust Deed and as completed by the Final Terms applicable to the Series 2018-5 Covered Bonds dated 14 November 2018, as any of the same may from time to time be modified or amended and restated in accordance with the Trust Deed, in order that the Rate of Interest for the Series 2018-5 Covered Bonds applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date will continue to be a floating rate and will be SOFR plus an Adjusted Margin to be calculated as more fully set out in Annex B to this Notice (Margin Adjustment) and in the Amended and Restated Series 2018-5 Final Terms (as defined in paragraph 2 below);
 - (b) the Series 2018-5 Covered Bond Swap, as set out the Series 2018-5 Covered Bond Swap Amendment Agreement (as defined in paragraph 2 below) in order to implement the change in Interest Basis from 'USD LIBOR' to 'SOFR' during the Extended Due for Payment Period applicable to the Series 2018-5 Covered Bonds as described above; and
 - (c) the Agency Agreement, as set in the Supplemental Agency Agreement (as defined in paragraph 2 below) in order to facilitate the calculation of Compounded Daily SOFR by the Principal Paying Agent.
2. (subject to paragraph 9 of this Extraordinary Resolution) authorises, directs, requests and empowers:
 - (a)
 - (i) the Issuer and the LLP to execute an amended and restated final terms in respect of the Series 2018-5 Covered Bonds (the **Amended and Restated Series 2018-5 Final Terms**) to change the Interest Basis from 'USD LIBOR' to 'SOFR' applicable to the Series 2018-5 Covered Bonds applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date and to implement a corresponding amendment to the Series 2018-5 Term Advance incorporating the terms of the Final Terms (as amended);
 - (ii) the Issuer, the LLP, the Bond Trustee and the Security Trustee to execute a deed supplemental to the Trust Deed which annexes the form of the Amended and Restated Series 2018-5 Final Terms and the amendment to Condition 4.2(b)(ii) (*Screen Rate Determination for Floating Rate Covered Bonds*) to include Compounded Daily SOFR as an Interest Basis in the Conditions applicable to the Series 2018-5 Covered Bonds (the **Supplemental Trust Deed**);
 - (iii) the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Exchange Agent, the Transfer Agent, and the Registrar to execute a supplement to the agency agreement to include a new Clause 9.2(a) for the purposes

of determining Compounded Daily SOFR (the **Supplemental Agency Agreement**); and

- (iv) the LLP, the Covered Bond Swap Provider and the Security Trustee to execute the amendment agreement which amends and restates the confirmation in respect of the Series 2018-5 Covered Bonds (the **Series 2018-5 Covered Bonds Swap Amendment Agreement**),

in each case to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the drafts produced to this Meeting and for the purpose of identification signed by the chairman thereof, with such amendments thereto (if any) as the Bond Trustee shall require or agree to; and

- (b) the Issuer, the Bond Trustee and the Security Trustee to execute and to do all such deeds, instruments, acts and things as may be necessary, desirable or expedient in its sole opinion to carry out and to give effect to this Extraordinary Resolution and the implementation of the modifications referred to in paragraph 1 of this Extraordinary Resolution;
3. discharges and exonerates each of the Bond Trustee and the Security Trustee from all liability for which they may have become or may become responsible under the Trust Deed or the Series 2018-5 Covered Bonds or any Transaction Document or any document related thereto in respect of any act or omission in connection with the passing of this Extraordinary Resolution or its implementation, the modifications referred to in paragraph 1 of this Extraordinary Resolution or the implementation of those modifications or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Amended and Restated Series Final Terms, the Supplemental Trust Deed, the Supplemental Agency Agreement, the Series 2018-5 Covered Bond Swap Amendment Agreement, the Notice or this Extraordinary Resolution;
 4. irrevocably waives any claim that the Series 2018-5 Covered Bondholders may have against the Bond Trustee and / or the Security Trustee arising as a result of any loss or damage which we may suffer or incur as a result of the Bond Trustee and/or Security Trustee acting upon this Extraordinary Resolution (including but not limited to circumstances where it is subsequently found that this Extraordinary Resolution is not valid or binding on the holders) and the Series 2018-5 Covered Bondholders further confirm that the Series 2018-5 Covered Bondholders will not seek to hold the Bond Trustee and/or Security Trustee liable for any such loss or damage;
 5. expressly agrees and undertakes to indemnify and hold harmless the Bond Trustee and/or Security Trustee from and against all losses, liabilities, damages, costs, charges and expenses which may be suffered or incurred by them as a result of any claims (whether or not successful, compromised or settled), actions, demands or proceedings brought against the Bond Trustee and/or the Security Trustee and against all losses, costs, charges or expenses (including legal fees) which the Bond Trustee and/or Security Trustee may suffer or incur which in any case arise as a result of the Bond Trustee and/or Security Trustee acting in accordance with the Extraordinary Resolution and the Trust Deed;
 6. (subject to paragraph 9 of this Extraordinary Resolution) sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Series 2018-5 Covered Bondholders appertaining to the Series 2018-5 Covered Bonds against the Issuer, whether or not such rights arise under the Conditions, involved in, resulting from or to be effected by the amendments referred to in paragraph 1 of this Extraordinary Resolution and their implementation;
 7. waives any and all requirements, restrictions and conditions precedent set forth in the Transaction Documents on any person, in implementing the Amended and Restated Series 2018-5 Final Terms,

the Supplemental Trust Deed, the Supplemental Agency Agreement, the Series 2018-5 Covered Bond Swap Amendment Agreement, this Extraordinary Resolution and the Covered Bond Proposal;

8. discharges and exonerates each of the Issuer and the LLP from all liability for which it may have become or may become responsible under the Trust Deed, the Series 2018-5 Covered Bonds or any Transaction Document or any document related thereto in respect of any act or omission in connection with the passing of this Extraordinary Resolution or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Amended and Restated Final Terms, the Supplemental Trust Deed, the Supplemental Agency Agreement, the Series 2018-5 Covered Bond Swap Amendment Agreement, the Notice or this Extraordinary Resolution;
9. declares that the implementation of this Extraordinary Resolution shall be conditional on:
 - (a) the passing of this Extraordinary Resolution; and
 - (b) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Series 2018-5 Covered Bondholders, irrespective of any participation at this Meeting by Ineligible Series 2018-5 Covered Bondholders and that, in the event that the Extraordinary Resolution is passed at this Meeting but such condition is not satisfied, the chairman of this Meeting is hereby authorised, directed, requested and empowered to adjourn this Meeting for such period being not less than 14 clear days nor more than 24 clear days, and shall be held via teleconference at such time as may be appointed by the chairman of this Meeting and approved by the Bond Trustee, for the purpose of reconsidering resolutions 1 to 11 of this Extraordinary Resolution with the exception of resolution 9(b) of this Extraordinary Resolution. At any such adjournment of this Meeting, one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Series 2018-5 Covered Bonds shall form a quorum and shall have the power to pass such Extraordinary Resolution, and this condition set out in this paragraph 9(b) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Series 2018-5 Covered Bondholders irrespective of any participation at the adjourned Meeting by Ineligible Series 2018-5 Covered Bondholders;
10. acknowledges that the following terms, as used in this Extraordinary Resolution, shall have the meanings given below:

Consent Solicitation means the invitation by the Issuer to all Eligible Series 2018-5 Covered Bondholders to consent to the modification of the Conditions relating to the Series 2018-5 Covered Bonds as described in the Consent Solicitation Memorandum and as the same may be amended in accordance with its terms;

Consent Solicitation Memorandum means the consent solicitation memorandum dated 9 November 2020 prepared by the Issuer in relation to the Consent Solicitation;

Eligible Series 2018-5 Covered Bondholder or **Eligible Covered Bondholder** means each Series 2018-5 Covered Bondholder who is (a) located and resident outside the United States and not a U.S. person (as defined in Regulation S under the Securities Act), (b) an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client, in each case in respect of the Series 2018-5 Covered Bonds and (c) otherwise a person to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation;

Ineligible Series 2018-5 Covered Bondholder or **Ineligible Covered Bondholder** means each Series 2018-5 Covered Bondholder who is not a person to whom the Consent Solicitation is being made, on the basis that such Series 2018-5 Covered Bondholder is either (i) a U.S. person and/or located or resident in the United States and/or (ii) is not an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is not acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client and/or (iii) a person to whom the Consent Solicitation cannot otherwise be lawfully made; and

Securities Act means the U.S. Securities Act of 1933, as amended.

11. agrees that capitalised terms in this document where not defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 9 November 2020 (a copy of which is available for inspection as referred to in the Notice)."

**EXTRAORDINARY RESOLUTION
IN RESPECT OF THE U.S.\$1,000,000,000 SERIES 2019-5 2.125 PER CENT. FIXED RATE
COVERED BONDS DUE JULY 2022**

"THAT this Meeting of the holders (together, the **Series 2019-5 Covered Bondholders**) of the presently outstanding U.S.\$1,000,000,000 Series 2019-5 2.125 per cent. Fixed Rate Covered Bonds due July 2022 (the **Series 2019-5 Covered Bonds**) of Lloyds Bank plc (the **Issuer**), constituted by the trust deed dated 20 October 2008 as amended, restated, modified and/or supplemented from time to time (the **Trust Deed**) made between the Issuer, the LLP and BNY Mellon Corporate Trustee Services Limited (the **Bond Trustee** and the **Security Trustee**) as bond trustee and security trustee for, *inter alios*, the Series 2019-5 Covered Bondholders:

1. (subject to paragraph 9 of this Extraordinary Resolution) assents to the modification of:
 - (a) the terms and conditions of the Series 2019-5 Covered Bonds (the **Conditions**) (together with corresponding modifications to the Series 2019-5 Term Advance), as set out in Schedule 1 to the Trust Deed and as completed by the Final Terms applicable to the Series 2019-5 Covered Bonds dated 23 July 2019, as any of the same may from time to time be modified or amended and restated in accordance with the Trust Deed, in order that the Rate of Interest for the Series 2019-5 Covered Bonds applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date will continue to be a floating rate and will be SOFR plus an Adjusted Margin to be calculated as more fully set out in Annex B to this Notice (Margin Adjustment) and in the Amended and Restated Series 2019-5 Final Terms (as defined in paragraph 2 above);
 - (b) the Series 2019-5 Covered Bond Swap, as set out the Series 2019-5 Covered Bond Swap Amendment Agreement (as defined in paragraph 2 below) in order to implement the change in Interest Basis from 'USD LIBOR' to 'SOFR' during the Extended Due for Payment Period applicable to the Series 2019-5 Covered Bonds as described above; and
 - (c) the Agency Agreement, as set in the Supplemental Agency Agreement (as defined in paragraph 2 above) in order to facilitate the calculation of Compounded Daily SOFR by the Principal Paying Agent.
2. (subject to paragraph 9 of this Extraordinary Resolution) authorises, directs, requests and empowers:
 - (a) (i) the Issuer and the LLP to execute an amended and restated final terms in respect of the Series 2019-5 Covered Bonds (the **Amended and Restated Series 2019-5 Final Terms**) to change the Interest Basis from 'USD LIBOR' to 'SOFR' applicable to the Series 2019-5 Covered Bonds applicable from, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date and to implement a

corresponding amendment to the Series 2019-5 Term Advance incorporating the terms of the Final Terms (as amended);

- (ii) the Issuer, the LLP, the Bond Trustee and the Security Trustee to execute a deed supplemental to the Trust Deed which annexes the form of the Amended and Restated Series 2019-5 Final Terms and the amendment to Condition 4.2(b)(ii) (*Screen Rate Determination for Floating Rate Covered Bonds*) to include Compounded Daily SOFR as an Interest Basis in the Conditions applicable to the Series 2019-5 Covered Bonds (the **Supplemental Trust Deed**);
- (iii) the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Exchange Agent, the Transfer Agent, and the Registrar to execute a supplement to the agency agreement to include a new Clause 9.2(a) for the purposes of determining Compounded Daily SOFR (the **Supplemental Agency Agreement**); and
- (iv) the LLP, the Covered Bond Swap Provider and the Security Trustee to execute the amendment agreement which amends and restates the confirmation in respect of the Series 2019-5 Covered Bonds (the **Series 2019-5 Covered Bond Swap Amendment Agreement**),

in each case to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the drafts produced to this Meeting and for the purpose of identification signed by the chairman thereof, with such amendments thereto (if any) as the Bond Trustee shall require or agree to; and

- (b) the Issuer, the Bond Trustee and the Security Trustee to execute and to do all such deeds, instruments, acts and things as may be necessary, desirable or expedient in its sole opinion to carry out and to give effect to this Extraordinary Resolution and the implementation of the modifications referred to in paragraph 1 of this Extraordinary Resolution;
3. discharges and exonerates each of the Bond Trustee and the Security Trustee from all liability for which they may have become or may become responsible under the Trust Deed or the Series 2019-5 Covered Bonds or any Transaction Document or any document related thereto in respect of any act or omission in connection with the passing of this Extraordinary Resolution or its implementation, the modifications referred to in paragraph 1 of this Extraordinary Resolution or the implementation of those modifications or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Amended and Restated Series Final Terms, the Supplemental Trust Deed, the Supplemental Agency Agreement, the Series 2019-5 Covered Bond Swap Amendment Agreement, the Notice or this Extraordinary Resolution;
 4. irrevocably waives any claim that the 2019-5 Covered Bondholders may have against the Bond Trustee and / or the Security Trustee arising as a result of any loss or damage which we may suffer or incur as a result of the Bond Trustee and/or Security Trustee acting upon this Extraordinary Resolution (including but not limited to circumstances where it is subsequently found that this Extraordinary Resolution is not valid or binding on the holders) and the Series 2019-5 Covered Bondholders further confirm that the Series 2019-5 Covered Bondholders will not seek to hold the Bond Trustee and/or Security Trustee liable for any such loss or damage;
 5. expressly agrees and undertakes to indemnify and hold harmless the Bond Trustee and/or Security Trustee from and against all losses, liabilities, damages, costs, charges and expenses which may be suffered or incurred by them as a result of any claims (whether or not successful, compromised or settled), actions, demands or proceedings brought against the Bond Trustee and/or the Security Trustee

and against all losses, costs, charges or expenses (including legal fees) which the Bond Trustee and/or Security Trustee may suffer or incur which in any case arise as a result of the Bond Trustee and/or Security Trustee acting in accordance with the Extraordinary Resolution and the Trust Deed;

6. (subject to paragraph 9 of this Extraordinary Resolution) sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Series 2019-5 Covered Bondholders appertaining to the Series 2019-5 Covered Bonds against the Issuer, whether or not such rights arise under the Conditions, involved in, resulting from or to be effected by the amendments referred to in paragraph 1 of this Extraordinary Resolution and their implementation;
7. waives any and all requirements, restrictions and conditions precedent set forth in the Transaction Documents on any person, in implementing the Amended and Restated Series 2019-5 Final Terms, the Supplemental Trust Deed, the Supplemental Agency Agreement, the Series 2019-5 Covered Bond Swap Amendment Agreement, this Extraordinary Resolution and the Covered Bond Proposal;
8. discharges and exonerates each of the Issuer and the LLP from all liability for which it may have become or may become responsible under the Trust Deed, the Series 2019-5 Covered Bonds or any Transaction Document or any document related thereto in respect of any act or omission in connection with the passing of this Extraordinary Resolution or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Amended and Restated Final Terms, the Supplemental Trust Deed, the Supplemental Agency Agreement, the Series 2019-5 Covered Bond Swap Amendment Agreement, the Notice or this Extraordinary Resolution;
9. declares that the implementation of this Extraordinary Resolution shall be conditional on:
 - (a) the passing of this Extraordinary Resolution; and
 - (b) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Series 2019-5 Covered Bondholders, irrespective of any participation at this Meeting by Ineligible Series 2019-5 Covered Bondholders and that, in the event that the Extraordinary Resolution is passed at this Meeting but such condition is not satisfied, the chairman of this Meeting is hereby authorised, directed, requested and empowered to adjourn this Meeting for such period being not less than 14 clear days nor more than 24 clear days, and shall be held via teleconference at such time as may be appointed by the chairman of this Meeting and approved by the Bond Trustee, for the purpose of reconsidering resolutions 1 to 11 of this Extraordinary Resolution with the exception of resolution 9(b) of this Extraordinary Resolution. At any such adjournment of this Meeting, one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Series 2019-5 Covered Bonds shall form a quorum and shall have the power to pass such Extraordinary Resolution, and this condition set out in this paragraph 9(b) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Series 2019-5 Covered Bondholders irrespective of any participation at the adjourned Meeting by Ineligible Series 2019-5 Covered Bondholders;
10. acknowledges that the following terms, as used in this Extraordinary Resolution, shall have the meanings given below:

Consent Solicitation means the invitation by the Issuer to all Eligible Series 2019-5 Covered Bondholders to consent to the modification of the Conditions relating to the Series 2019-5 Covered Bonds as described in the Consent Solicitation Memorandum and as the same may be amended in accordance with its terms;

Consent Solicitation Memorandum means the consent solicitation memorandum dated 9 November 2020 prepared by the Issuer in relation to the Consent Solicitation;

Eligible Series 2019-5 Covered Bondholder or **Eligible Covered Bondholder** means each Series 2019-5 Covered Bondholder who is (a) located and resident outside the United States and not a U.S. person (as defined in Regulation S under the Securities Act), (b) an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client, in each case in respect of the Series 2019-5 Covered Bonds and (c) otherwise a person to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation;

Ineligible Series 2019-5 Covered Bondholder or **Ineligible Covered Bondholder** means each Series 2019-5 Covered Bondholder who is not a person to whom the Consent Solicitation is being made, on the basis that such Series 2019-5 Covered Bondholder is either (i) a U.S. person and/or located or resident in the United States and/or (ii) is not an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is not acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client and/or (iii) a person to whom the Consent Solicitation cannot otherwise be lawfully made; and

Securities Act means the U.S. Securities Act of 1933, as amended.

11. agrees that capitalised terms in this document where not defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 9 November 2020 (a copy of which is available for inspection as referred to in the Notice)."

INELIGIBLE COVERED BONDHOLDERS

Submission of Ineligible Holder Instructions

In respect of any Covered Bonds held through Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), the submission of Ineligible Holder Instructions will be deemed to have occurred upon receipt by the Tabulation Agent from Euroclear or Clearstream, Luxembourg, as applicable, of a valid instruction (an **Ineligible Holder Instruction**) submitted in accordance with the requirements of Euroclear or Clearstream, Luxembourg, as applicable. Each such Ineligible Holder Instruction must specify, among other things, the aggregate principal amount of the Covered Bonds of the relevant Series to which such Ineligible Holder Instruction relates, the securities account number at Euroclear or Clearstream, Luxembourg, as applicable, in which the relevant Covered Bonds are held and whether the Ineligible Covered Bondholder wishes to instruct the Principal Paying Agent to appoint one or more representatives of the Tabulation Agent to attend (via teleconference) the relevant Meeting (and any such adjourned such Meeting) and vote in favour of or against the relevant Extraordinary Resolution. The receipt of such Ineligible Holder Instruction by Euroclear or Clearstream, Luxembourg, as applicable, will be acknowledged in accordance with the standard practices of Euroclear or Clearstream, Luxembourg, as applicable, and will result in the blocking of the relevant Covered Bonds in the relevant Ineligible Covered Bondholder's account with Euroclear or Clearstream, Luxembourg, as applicable, so that no transfers may be effected in relation to the such Covered Bonds until the earlier of (i) the date on which the relevant Ineligible Holder Instruction is validly revoked (including their automatic revocation on the termination of the related Consent Solicitation) and (ii) the conclusion of the relevant Meeting (or, if applicable, any adjourned such Meeting).

Only Accountholders may submit Ineligible Holder Instructions. Each beneficial owner of Covered Bonds who is an Ineligible Covered Bondholder and is not an Accountholder, must arrange for the Accountholder through which such beneficial owner of Covered Bonds who is an Ineligible Covered Bondholder holds its Covered Bonds to submit an Ineligible Holder Instruction on its behalf to Euroclear or Clearstream, Luxembourg, as applicable, before the deadlines specified by the relevant clearing system.

By delivering, or arranging for the delivery on its behalf, of an Ineligible Holder Instruction in accordance with the procedures described below, a Covered Bondholder shall be deemed to agree, undertake, acknowledge and represent to the Issuer, the Tabulation Agent and the Solicitation Agent that at (i) the time of submission of such Ineligible Holder Instruction, (ii) the Expiration Date and (iii) the time of the relevant Meeting and at the time of any adjourned Meeting (and if a Covered Bondholder is unable to make any such acknowledgement or give any such representation or warranty, such Covered Bondholder or Accountholder should contact the Tabulation Agent immediately):

- (a) It is an Ineligible Covered Bondholder.

It is not a person or entity (a **Person**) (A) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions); or (B) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (i) the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the SSI List), (ii) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended from time to time including by Council Regulation No. 960/2014 and Council Regulation (EU) No 1290/2014 and Council Regulation (EU) No 2015/1797 (the **EU Annexes**), or (iii) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes. For these purposes **Sanctions Authority** means each of: (i) the United States government; (ii) the United Nations; (iii) the European Union (or any of its member states) or the United Kingdom; (iv) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (v) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury.

The representation set out above shall not be sought or given at any time after such representation is first made if and to the extent that it is or would be unenforceable by reason of breach of (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom) or (ii) any similar blocking or anti-boycott law in the European Union or the United Kingdom.

- (b) It is assuming all the risks inherent in participating in the Consent Solicitation and has undertaken all the appropriate analyses of the implications of the Consent Solicitation without reliance on the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Solicitation Agent or the Tabulation Agent.
- (c) It has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any vote in relation to the relevant Extraordinary Resolution, in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations or which will or may result in the Issuer, the LLP, the Solicitation Agent, the Tabulation Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with any votes in relation to the relevant Extraordinary Resolution.
- (d) It has full power and authority to vote in the relevant Meeting (or any such adjourned Meeting).

- (e) Each Ineligible Holder Instruction is made on the terms and conditions set out in this notice and therein.
- (f) Each Ineligible Holder Instruction is being submitted in compliance with the applicable laws or regulations of the jurisdiction in which the Covered Bondholder is located or in which it is resident or located and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with each such Ineligible Holder Instruction.
- (g) It holds and will hold, until the earlier of (i) the date on which its Ineligible Holder Instruction is validly revoked, in accordance with the terms of the relevant Consent Solicitation and (ii) conclusion of the relevant Meeting or (if applicable) any relevant adjourned Meeting, as the case may be, the Covered Bonds the subject of the Ineligible Holder Instruction, in the relevant Clearing System and, if it holds its Covered Bonds through Euroclear, or Clearstream in accordance with the requirements of the relevant Clearing System and by the deadline required by the relevant Clearing System, it has submitted, or has caused to be submitted, an Ineligible Holder Instruction to the relevant Clearing System, as the case may be, to authorise the blocking of such Covered Bonds with effect on and from the date thereof so that no transfers of such Covered Bonds may be effected until the occurrence of any of the events listed in (i) or (ii) above.
- (h) It acknowledges that none of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and/or the LLP or any of their respective affiliates, directors, officers, employees or agents has made any recommendation as to whether to vote on the relevant Extraordinary Resolution and it represents that it has made its own decision with regard to voting on the relevant Extraordinary Resolution based on any independent legal, financial, tax, regulatory or other advice that it has deemed necessary to seek.
- (i) It acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every obligation of the Covered Bondholder offering to vote on the relevant Extraordinary Resolution shall to the extent permitted by applicable law be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Covered Bondholder voting on the relevant Extraordinary Resolution and shall not be affected by, and shall survive, the death or incapacity of the Covered Bondholder voting on the relevant Extraordinary Resolution, as the case may be.
- (j) The Covered Bonds, and the guarantees thereof, have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless an exemption from the registration requirements of the Securities Act is available (terms used in this paragraph that are, unless otherwise specified, defined in Regulation S are used as defined in Regulation S).
- (k) The terms and conditions of the Consent Solicitation shall be deemed to be incorporated in, and form a part of, the Ineligible Holder Instruction which shall be read and construed accordingly and that the information given by or on behalf of such Covered Bondholder in the Ineligible Holder Instruction is true and will be true in all respects at the time of the relevant Meeting (or any relevant adjourned Meeting).
- (l) No information has been provided to it by the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors or employees or affiliates, with regard to the tax, regulatory or other consequences for Covered Bondholders arising from the participation in any Consent Solicitation, the implementation of any Extraordinary Resolution, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in any Consent Solicitation, and agrees that it will not and does not have any right of recourse (whether by way of

reimbursement, indemnity or otherwise) against the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors or employees, or any other person in respect of such taxes and payments.

If the relevant Ineligible Covered Bondholder is unable to give any of the representations and warranties described above, such Ineligible Covered Bondholder should contact the Tabulation Agent.

Each Ineligible Covered Bondholder submitting an Ineligible Holder Instruction in accordance with its terms shall be deemed to have agreed to indemnify the Issuer, the LLP, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent, the Bond Trustee, the Security Trustee and any of their respective affiliates, directors, officers, employees or agents against all and any losses, costs, fees, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, such vote by such Covered Bondholder.

REQUIREMENTS OF U.S. SECURITIES LAWS

If an Extraordinary Resolution is passed and implemented in respect of any Series, the Amended and Restated Final Terms relating to the relevant Series will contain a statement that, until the expiry of the period of 40 days after the date of the Amended and Restated Final Terms, sales of the relevant Covered Bonds may not be made in the United States or to U.S. persons unless made outside the United States pursuant to Rules 903 and 904 of Regulation S.

*Covered Bondholders who have submitted and not revoked a valid Consent Instruction or Ineligible Holder Instruction in respect of the relevant Extraordinary Resolution by 4 p.m. (London time) (5 p.m. (CET)) on 1 December 2020 (the **Expiration Deadline**), by which they will have given instructions for the appointment of one or more representatives of the Tabulation Agent by the Principal Paying Agent as their proxy to vote in favour of or against (as specified in the relevant Consent Instruction or Ineligible Holder Instruction) the relevant Extraordinary Resolution at the relevant Meeting (or any adjourned such relevant Meeting), need take no further action to be represented at the relevant Meeting (or any such adjourned such Meeting).*

GENERAL INFORMATION

The attention of Covered Bondholders is particularly drawn to the quorum required for the Covered Bondholders Meetings and for any adjourned Meeting which is set out in paragraphs 1, 2, 3, 4 and 6 of "Voting and Quorum" below. Having regard to such requirements, Covered Bondholders are strongly urged either to attend (via teleconference) the Meeting or to take steps to be represented at the Meeting, as referred to below, as soon as possible.

VOTING AND QUORUM

1. The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Covered Bondholders*) to the Trust Deed, a copy of which is available for inspection by the Covered Bondholders during normal business hours at the specified offices of the Principal Paying Agent on any weekday (public holidays excepted) and on the Issuer's Website up to and including the date of the Meetings and at the Meetings.

All of the Covered Bonds are represented by a global Covered Bond and are held by a common depositary or common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). For the purpose of the Meetings, a **Covered Bondholder** shall mean each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular Principal Amount Outstanding of the Covered Bonds.

Any Covered Bondholder who indicates that they wish to participate in the teleconference for the relevant Meeting in person (rather than being represented by the Tabulation Agent) will be provided with further details about attending the relevant Meeting. A Covered Bondholder wishing to attend (via teleconference) the relevant Meeting must provide the Tabulation Agent with a valid voting certificate issued by the Principal Paying Agent relating to the Covered Bond(s) in respect of which it wishes to vote.

Any Covered Bondholder who wishes to vote in respect of the relevant Extraordinary Resolution but does not wish to attend (via teleconference) the relevant Meeting should: (i) in the case of a beneficial owner whose Covered Bonds are held in book-entry form by a custodian, request such beneficial owner's custodian to vote on the relevant Extraordinary Resolution in accordance with the procedures set out in *Section 4 – Procedures in connection with the Consent Solicitations* of the Consent Solicitation Memorandum, or (ii) in the case of a Covered Bondholder whose Covered Bonds are held in book-entry form directly in the relevant Clearing System, vote on the relevant Extraordinary Resolution in accordance with the procedures set out in *Section 4 – Procedures in connection with the Consent Solicitations* of the Consent Solicitation Memorandum.

Covered Bondholders should note that the timings and procedures set out below reflect the requirements for Covered Bondholders' Meetings set out in the Trust Deed, but that the Clearing Systems and the relevant intermediaries may have their own additional requirements as to timings and procedures for voting on the relevant Extraordinary Resolution. Accordingly, Covered Bondholders wishing to vote in respect of the relevant Extraordinary Resolution are strongly urged either to contact their custodian (in the case of a beneficial owner whose Covered Bonds are held in book-entry form

by a custodian) or the relevant Clearing System (in the case of a Covered Bondholder whose Covered Bonds are held in book-entry form directly in the relevant Clearing System), as soon as possible.

2. The quorum at any Meeting for passing an Extraordinary Resolution which constitutes a Series Reserved Matter shall (subject as provided below) be one or more persons present holding or representing Covered Bonds or voting certificates or being proxies or representatives and holding or representing in aggregate not less than two-thirds of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds for the time being outstanding. If a quorum is not present within 30 minutes after the time fixed for a Meeting, the relevant Meeting will be adjourned for such period being not less than 14 days nor more than 24 days, and shall be held via teleconference at such time as may be appointed by the chairman of the Meeting and approved by the Bond Trustee. In addition, in the event that the quorum required for, and the requisite majority of votes cast at, the relevant Meeting is satisfied but the Eligibility Condition in respect of such Meeting is not satisfied, the chairman of the relevant Meeting and the Bond Trustee will adjourn the relevant Meeting for such period being not less than 14 days nor more than 24 days, and such Meeting shall be held via teleconference at such time as may be appointed by the chairman of the Meeting and approved by the Bond Trustee. The Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to the Covered Bondholders of the relevant Series of Covered Bonds). At any adjourned Meeting, one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in aggregate not less than one-third of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds shall (subject as provided below) form a quorum and shall have the power to pass the Extraordinary Resolution.
3. To be passed at the relevant Meeting, the Extraordinary Resolution requires (a) a majority in favour consisting of at least 75 per cent. of the votes cast; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than 75 per cent. in Principal Amount Outstanding of the relevant Series of Covered Bonds, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders. The question submitted to the Meeting shall be decided in the first instance by a show of hands unless a poll is (before, or on the declaration of, the result of the show of hands) demanded by the chairman of the Meeting, the Issuer, the LLP, the Bond Trustee or by any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative and representing or holding in the aggregate not less than one-fiftieth of the Principal Amount Outstanding of the relevant Series of Covered Bonds so held or represented by him a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
4. Any Principal Amount Outstanding of the Covered Bonds held by the Issuer or on behalf of any of the Issuer's Subsidiaries (including the LLP), the Issuer's holding company or any subsidiaries of such holding company as beneficial owner will be deemed not to remain outstanding for the purposes of the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series.
5. The implementation of each Consent Solicitation and the related Extraordinary Resolution will be conditional on:
 - (a) the passing of the relevant Extraordinary Resolution; and
 - (b) the quorum required for, and the requisite majority of votes cast at, the relevant Meeting being satisfied by Eligible Covered Bondholders, irrespective of any participation at the relevant Meeting by Ineligible Covered Bondholders (including the satisfaction of such condition at an adjourned Meeting) (the **Eligibility Condition**),

(together, the **Consent Conditions**).

6. If passed, the Extraordinary Resolution passed at the relevant Meeting will be binding upon all the Covered Bondholders of the relevant Series and upon all Receiptholders and Couponholders of the relevant Series whether or not present or voting at the relevant Meeting.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of items (a) to (b) below (together, the **Covered Bondholder Information**) will be available from the date of this Notice, for inspection during normal business hours at the specified offices of the Principal Paying Agent on any weekday (public holidays excepted) and on the Issuer's Website up to and including the date of the Meeting and at the Meeting.

- (a) this Notice;
- (b) the current drafts of each Amended and Restated Final Terms, the Supplemental Trust Deed, each Amended and Restated Covered Bond Swap Agreement and the Supplemental Agency Agreement, each as referred to in the relevant Extraordinary Resolution set out above (the **Amendment Documents**); and
- (c) such other ancillary documents as may be approved by the Bond Trustee and/or such other relevant party as are necessary or desirable to give effect to the Covered Bondholder Proposal in full.

This Notice should be read in conjunction with the Covered Bondholder Information.

The Covered Bondholder Information may be supplemented from time to time. Existing Covered Bondholders should note that the Amendment Documents may be subject to amendment (where such amendments are in line with the Proposed Amendments up until 7 days prior to the date fixed for the relevant Meeting. Should such amendments be made, blacklined copies (showing the changes from the originally available Amendment Documents) and clean versions will be available for inspection, at the specified office of the Principal Paying Agent and on the Issuer's Website. The blackline copies of the Amendment Documents will contain certain other additional minor amendments which are not the subject of this Consent Solicitation Memorandum, or the Covered Bond Proposal, being separately agreed with the Bond Trustee.

Existing Covered Bondholders will be informed of amendments to the Amendment Documents by announcements released on the regulatory news service of the London Stock Exchange.

CONTACT INFORMATION

Further information relating to the Proposed Amendments can be obtained from the Solicitation Agent directly:

Lloyds Bank Corporate Markets plc
10 Gresham Street
London EC2V 7AE
United Kingdom

Telephone number: +44 20 7158 1726 / 1719

Attention: Liability Management Group

Email: liability.management@lloydsbanking.com

The address of the Principal Paying Agent, the Tabulation Agent, the Security Trustee and the Bond Trustee are set out below:

Bond Trustee and Security Trustee

BNY Mellon Corporate Trustee Services Limited
40th Floor
One Canada Square
London E14 5AL
United Kingdom

Fax: +44 (0)207 964 4637
e-mail: corpsov4@bnymellon.com
Attention: Trustee Administration Manager

Tabulation Agent

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Telephone number: +44 20 7704 0880
Email: lloydsbank@lucid-is.com

Principal Paying Agent

The Bank of New York Mellon, London Branch,
One Canada Square
London E14 5AL
United Kingdom

Telephone: +44 (0)1202 689 984
e-mail: corpsov4@bnymellon.com
Attention: Corporate Trust Administration
(Structured Finance)

Covered Bondholders whose Covered Bonds are held by Euroclear or Clearstream, Luxembourg should contact the Tabulation Agent at the address details above for further information on how to vote at the Meeting.

ANNOUNCEMENTS

If the Issuer is required to make an announcement relating to matters set out in this Notice, any such announcement will be made in accordance with all applicable rules and regulations via notices to the Clearing Systems for communication to Covered Bondholders and an announcement released on the regulatory news service of the London Stock Exchange.

This Notice is given by:
LLOYDS BANK PLC

Dated 9 November 2020

ANNEX A

COMPOUNDED DAILY SOFR

The Rate of Interest for each Interest Accrual Period will, subject to Condition 14.2(d), and as provided below, be the Compounded Daily SOFR plus or minus the Margin, where:

Compounded Daily SOFR means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in U.S. Dollars (with the applicable SOFR as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest) on the Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

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

where:

d is the number of calendar days in the relevant Interest Accrual Period;

d_o is the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

i is a series of whole numbers from one to d_o, each representing the U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

USBD means a U.S. Government Securities Business Day;

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

p means the number of U.S. Government Securities Business Days included in the Observation Look-Back Period; and

SOFR_{i-pUSBD} means SOFR for the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant Observation Period) falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i".

Subject to Condition 14.2(d), if SOFR is not available in respect of any U.S. Government Securities Business Day, then the reference rate shall be SOFR for the first preceding Business Day on which SOFR was published on the Federal Reserve Bank of New York's Website, and "SOFR" shall be interpreted accordingly.

For the purposes of Condition 4.2(b)(II), the following definitions will apply:

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this document).

Observation Period means, in respect of an Interest Accrual Period, the period from and including the date falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date which is "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Covered Bonds become due and payable).

SOFR means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the Federal Reserve Bank of New York's Website, in each case on or about 5:00 p.m. (New York City Time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day.

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds became due and payable and the Rate of Interest on such Covered Bonds shall, for so long as any such Covered Bond remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

Effect of Benchmark Transition Event

If the Designated Transaction Representative determines on or prior to the relevant determination date that a Benchmark Transition Event has occurred with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders (including without the requirement to provide to Covered Bondholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute in respect of a Series Reserved Matter) of the Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled "*Effect of Benchmark Transition Event*" in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR (and any related swap agreements):

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR in respect of such determination on such date and all determinations on all subsequent dates.
- II. In connection with the implementation of a Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled "*Effect of Benchmark Transition Event*", including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, will be conclusive and binding absent manifest error, may

be made in the Designated Transaction Representative's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, shall become effective without consent, sanction or absence of objection from any other party (including Covered Bondholders).

IV. The following definitions shall apply with respect to this section titled "*Effect of Benchmark Transition Event*":

Benchmark means, initially, SOFR, as applicable; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, as applicable, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to at such time and (b) the Benchmark Replacement Adjustment.

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR at such time.

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR (including changes to the definition of “Interest Accrual Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Accrual Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

Benchmark Replacement Date means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the

Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

Designated Transaction Representative means, with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer.

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this document).

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

ISDA Fallback Adjustment means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

Reference Time with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 2:00 p.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

SOFR means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the Federal Reserve Bank of New York’s Website, in each case on or about 5:00 p.m. (New York City Time) on the Business Day immediately following such U.S. Government Securities Business Day.

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled “*Effect of Benchmark Transition Event*” and any other Condition, the statements in this section shall prevail with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR.
- VI. Notwithstanding anything to the contrary in this section titled “*Effect of Benchmark Transition Event*” or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
 - a. the Bond Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it by the Issuer and shall not be liable to the Covered Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
 - b. the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee, would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Bond Trustee in the Transaction Documents and/or these Conditions.
- VII. For the avoidance of doubt, the Issuer may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled “*Effect of Benchmark Transition Event*” are satisfied.

ANNEX B

MARGIN ADJUSTMENT

Rationale for the Proposal

The pricing methodology proposed for the amendment of the Margin on conversion of the Interest Basis from USD LIBOR to SOFR uses only market observable screen spot rates. The pricing methodology will only be applied in respect of each of the Series that receives the support of investors via an Extraordinary Resolution. References in this Annex B shall be applied using the applicable terms defined in the Final Terms as amended following the Extraordinary Resolution applicable to that Series and shall be construed accordingly.

The date from which the proposed change in reference rate is to occur will be 4 December 2020 (the **Effective Date**).

The determination of the relevant market observable screen spot rates will take place at 2 p.m. London time (the **Pricing Time**) on 4 December 2020 (the **Pricing Date**). This is to ensure that the Pricing Date is as close as possible to the Expiration Deadline, following completion of the applicable Meeting.

For the avoidance of doubt, the margin adjustments set out herein do not apply to the Rate of Interest for the period up to but excluding the relevant Final Maturity Date for the Series.

The Margin Adjustment

The Rate of Interest for the relevant Series applicable for any period from and including the relevant Final Maturity Date to the relevant Extended Due for Payment Date shall be equal to Compounded Daily SOFR plus the relevant Margin adjusted as follows (the **Adjusted Margin**):

A. the Margin; *plus*

B. the USD LIBOR vs SOFR Interpolated Basis,

where:

A. the **Margin** means:

(a) in respect of the Series 2018-5 Covered Bonds, 0.320 per cent; and

(b) in respect of the Series 2019-5 Covered Bonds, 0.360 per cent;

B. **USD LIBOR vs SOFR Interpolated Basis** is the number of basis points rounded to the nearest 0.1 basis points (with 0.05 basis points rounded upwards) as calculated by the Solicitation Agent on the Pricing Date by means of linear interpolation to the relevant Final Maturity Date of the applicable USD LIBOR vs SOFR Basis as follows:

On the Pricing Date the Solicitation Agent will determine the applicable USD LIBOR vs SOFR Basis for the relevant Series as detailed below:

In respect of the Series 2018-5 Covered Bonds:

- (a) the mid 9 Month USD LIBOR vs SOFR Basis (as quoted on the Bloomberg page IRSB45 at or around the Pricing Time, or such other page as may replace it on that information service, or on such similar or replacement service as may be determined by the Solicitation Agent); and

- (b) the mid 1 Year USD LIBOR vs SOFR Basis (as quoted on the Bloomberg page IRSB45 at or around the Pricing Time, or such other page as may replace it on that information service, or on such similar or replacement service as may be determined by the Solicitation Agent).

In respect of the Series 2019-5 Covered Bonds:

- (a) the mid 18 Month USD LIBOR vs SOFR Basis (as quoted on the Bloomberg page IRSB45 at or around the Pricing Time, or such other page as may replace it on that information service, or on such similar or replacement service as may be determined by the Solicitation Agent); and
- (b) the mid 2 Year USD LIBOR vs SOFR Basis (as quoted on the Bloomberg page IRSB45 at or around the Pricing Time, or such other page as may replace it on that information service, or on such similar or replacement service as may be determined by the Solicitation Agent).

Thereafter the Solicitation Agent will calculate the applicable USD LIBOR vs SOFR Interpolated Basis for each Series by:

- (i) Subtracting the applicable USD LIBOR vs SOFR Basis in sub-paragraph (a) above from the applicable USD LIBOR vs SOFR Basis in sub-paragraph (b) above for the relevant Series and multiplying the result of such subtraction by the relevant Maturity Weight for the relevant Series (and rounding the result of such multiplication to the nearest 0.1 basis points, with 0.05 basis points rounded upwards); and
- (ii) adding the applicable USD LIBOR vs SOFR Basis in sub-paragraph (a) above to the result calculated in accordance with sub-paragraph (i) for the relevant Series .

For the purposes of this calculation:

Maturity Weight means the amount, expressed as a percentage, calculated by dividing the actual number of days from (and including):

- (a) in respect of the Series 2018-5 Covered Bonds, the date falling exactly 9 months after the Pricing Date; and
- (b) in respect of the Series 2019-5 Covered Bonds, the date falling exactly 18 months after the Pricing Date;

in each case to (but excluding) the relevant Final Maturity Date of the applicable Series by the following:

- (a) in respect of the Series 2018-5 Covered Bonds, the number of days between the date falling exactly 9 months after the Pricing Date and the date falling exactly 1 year after the Pricing Date; and
- (b) in respect of the Series 2019-5 Covered Bonds, the number of days between the date falling exactly 18 months after the Pricing Date and the date falling exactly 2 years after the Pricing Date.

The Bloomberg page IRSB45 means the Screen Page “IRSB” in Bloomberg with the country set to “United States” and then selecting the “45) SOFR / LIBOR Basis” tab page.

The Adjusted Margin and the USD LIBOR vs SOFR Interpolated Basis for each applicable Series will be announced to Covered Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable following the Pricing Time on the Pricing Date.

The detailed provisions relating to the calculation of Compounded Daily SOFR are set out in Annex A.

SECTION 4 – PROCEDURES IN CONNECTION WITH THE CONSENT SOLICITATIONS

(1) Procedures for participating in the Consent Solicitations

Covered Bondholders are responsible for complying with all of the procedures for participating in the relevant Consent Solicitation. None of the Issuer, the LLP, the Solicitation Agent, the Tabulation Agent, the Bond Trustee, the Security Trustee or the Principal Paying Agent assumes any responsibility for informing Covered Bondholders of irregularities with respect to compliance with such procedures.

Covered Bondholders are advised to check with any Clearing System, bank, securities broker or other intermediary through which they hold Covered Bonds when such Clearing System or intermediary would need to receive instructions from a Covered Bondholder in order for that Covered Bondholder to be able to participate in, or revoke their instruction to participate in, the relevant Consent Solicitation by the deadlines specified in this Consent Solicitation Memorandum.

In relation to the delivery or revocation of Consent Instructions or Ineligible Holder Instructions or obtaining voting certificates or otherwise making arrangements for the giving of Consent Instructions or Ineligible Holder Instructions, in each case through the Clearing Systems, Covered Bondholders should note the particular practice and policy of the relevant Clearing System, including any earlier deadlines set by such Clearing System.

(2) Procedure for voting

The following is a summary of the arrangements which have been made for the purpose of Covered Bondholders voting in respect of each Extraordinary Resolution to be proposed at the relevant Meeting as set out above. These arrangements satisfy the requirements of the provisions contained in the Trust Deed relating to the Meetings of Covered Bondholders of each Series convened for the purpose of passing Extraordinary Resolutions, and such further regulations regarding the requisitioning and/or the holding of the Meeting and attendance and voting thereat, as prescribed by the Bond Trustee from time to time, and as set out herein. Full details of these arrangements are set out in Schedule 4 (*Provisions for Meetings of Covered Bondholders*) to the Trust Deed. The voting procedures for the Meetings are different depending on whether Covered Bonds are held through Euroclear or Clearstream, Luxembourg (as defined below and each a Clearing System). The two procedures are described below.

All of the Covered Bonds are represented by a global Covered Bond held by a common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**).

Any Covered Bondholder who wishes to vote in respect of the relevant Extraordinary Resolution should: (i) in the case of a beneficial owner whose Covered Bonds are held in book-entry form by a custodian, request such beneficial owner's custodian to vote on the relevant Extraordinary Resolution in accordance with the procedures set out below, or (ii) in the case of a Covered Bondholder whose Covered Bonds are held in book-entry form directly in the relevant Clearing System, vote on the relevant Extraordinary Resolution in accordance with the procedures set out below.

Covered Bondholders should note that the timings and procedures set out below reflect the requirements for Covered Bondholders' Meetings set out in Schedule 4 (*Provisions for meetings of Covered Bondholders*) to the Trust Deed, but that the Clearing Systems and the relevant intermediaries may have their own additional requirements as to timings and procedures for voting on the relevant Extraordinary Resolutions. Accordingly, Covered Bondholders wishing to vote in respect of the relevant Extraordinary Resolution are strongly urged either to contact their custodian (in the case of a beneficial owner whose Covered Bonds are held in book-entry form by a custodian) or the relevant Clearing System (in the case of a Covered Bondholder whose Covered Bonds are held in book-entry form directly in the relevant Clearing System), as soon as possible.

Separate Consent Instructions

Consent Instructions must be completed in respect of each Series. Consent Instructions may be submitted in respect of an aggregate principal amount of Covered Bonds of \$200,000 and multiples of \$1,000 thereafter.

Blocking of Covered Bonds and Restrictions on Transfers

A. For Covered Bonds held through Euroclear or Clearstream, Luxembourg:

This section A only applies to Covered Bonds held through Euroclear or Clearstream, Luxembourg.

Each person who is the owner of a particular nominal amount of the Covered Bonds, as shown in the records of Euroclear or Clearstream, Luxembourg or their respective accountholders (an **Accountholder**) should note that they are not the legal holders of the Covered Bonds for the purposes of the relevant Meeting and will only be entitled to attend (via teleconference) and vote at such Meeting in accordance with the procedures set out below.

1. An Accountholder wishing to attend (via teleconference) and vote at the relevant Meeting in person should (i) send an electronic instruction to the relevant Clearing System to request, not later than 48 hours before the time fixed for such Meeting, a voting certificate from the Principal Paying Agent in respect of the Covered Bonds in which they have an interest for the purpose of attending and voting at the relevant Meeting and (ii) (subject to the Tabulation Agent being satisfied that any Accountholder has provided evidence of their holdings of the relevant Series of Covered Bonds) obtain further details about attending the relevant Meeting from the Tabulation Agent.
2. If an Accountholder wishes the votes attributable to its Covered Bonds to be included in a block voting instruction to be issued by the Principal Paying Agent that appoints the Tabulation Agent as a proxy to attend (via teleconference) and vote at the relevant Meeting, it must make arrangements for the votes relating to such Covered Bonds to be sent as an electronic voting instruction either in favour or against the relevant Extraordinary Resolution, to the relevant Clearing System not later than 48 hours before the time fixed for such Meeting. As part of such electronic instructions each Covered Bondholder must also confirm whether it is an Eligible Covered Bondholder or an Ineligible Covered Bondholder for the purposes of the Consent Solicitation.
3. Each block voting instruction issued by the Principal Paying Agent shall be deposited at the registered office of the Issuer (or such place as the Bond Trustee shall designate or approve) at least 24 hours before the time appointed for holding the relevant Meeting and in default the block voting instruction shall not be treated as valid unless the chairman of such Meeting decides otherwise before the relevant Meeting proceeds to business. A copy of each block voting instruction shall be deposited with the Bond Trustee before the commencement of the relevant Meeting but the Bond Trustee shall not be obliged to investigate or be concerned with the validity or the authority of the proxy appointed.
4. An Accountholder whose Covered Bond(s) are held at the relevant Clearing System who wishes to obtain a voting certificate or give a Consent Instruction or Ineligible Holder Instruction either in favour or against the relevant Extraordinary Resolution, should, not less than 48 hours before the time appointed for the holding of the relevant Meeting and within the relevant time limit specified by the relevant Clearing System, request the relevant Clearing System to block its Covered Bond(s) in its own account and hold the same to the order or under the control of the Principal Paying Agent in respect of such Covered Bond(s). As part of such electronic instructions each Covered Bondholder must also confirm whether it is an Eligible Covered Bondholder or an Ineligible Covered Bondholder for the purposes of the Consent Solicitation.
5. An Accountholder whose Covered Bond(s) have been so blocked will thus be able to obtain a voting certificate from, or procure that a Consent Instruction or Ineligible Holder Instruction is given in

accordance with the procedures of, Euroclear and/or Clearstream, Luxembourg, to the Principal Paying Agent. Covered Bonds so blocked will be released in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be.

B. General provisions relating to a Meeting:

1. Covered Bondholders may vote on the proposed relevant Extraordinary Resolution by either requesting a voting certificate in the manner described above which will allow the Covered Bondholder to attend (via teleconference) and vote at the relevant Meeting as the bearer of a voting certificate or arranging to deliver a Consent Instruction or Ineligible Holder Instruction through the Clearing Systems to the Tabulation Agent with respect to their Covered Bonds.
2. Any Covered Bondholder who indicates that they wish to participate in the teleconference for the relevant Meeting in person (rather than being represented by the Tabulation Agent) will be provided with further details about attending the relevant Meeting.
3. The quorum for each Meeting shall be one or more persons present holding or representing Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds in of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds for the time being outstanding.
4. If a quorum is not present within 30 minutes from the time fixed for the relevant Meeting, such Meeting will be adjourned for such period being not less than 14 days nor more than 24 days, and shall be held via teleconference at such time as may be appointed by the chairman of the Meeting and approved by the Bond Trustee. In addition, in the event that the quorum required for, and the requisite majority of votes cast at, the Meeting is satisfied but the Eligibility Condition in respect of such Meeting is not satisfied, the chairman of the Meeting and the Bond Trustee will adjourn Meeting for such period being not less than 14 days nor more than 24 days, and such Meeting shall be held via teleconference at such time as may be appointed by the chairman of the Meeting and approved by the Bond Trustee. At any adjourned Meeting, one or more persons present holding Covered Bonds or voting certificates or being proxies or representatives and holding or representing in aggregate not less than one-third of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds shall (subject as provided below) form a quorum and shall have the power to pass the relevant Extraordinary Resolution. Covered Bondholders should note that voting certificates obtained and proxies appointed in respect of the Meeting shall remain valid for the relevant adjourned Meeting unless validly revoked.
5. The question submitted to the relevant Meeting shall be decided in the first instance by a show of hands unless a poll is (before, or on the declaration of, the result of the show of hands) demanded by the chairman of such Meeting, the Issuer, the LLP, the Bond Trustee or by one or more persons present holding Definitive Covered Bonds or a voting certificate or being a proxy or representative and representing or holding in the aggregate not less than one-fiftieth of the Principal Amount Outstanding of the Covered Bonds. A declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
6. Every person who is attending (via teleconference) and has a voting certificate and who has provided evidence of their holdings of the relevant Series of Covered Bonds to the satisfaction of the Tabulation Agent or is a proxy or representative shall have one vote in respect of each pound sterling of the Series of Covered Bonds produced to the Tabulation Agent or in respect of which such person is a registered holder.
7. To be passed, each Extraordinary Resolution requires (a) a resolution passed at a Meeting of the Covered Bondholders duly convened and held in accordance with the trust deed by a majority

consisting of at least 75 per cent. of the votes cast; or (b) a resolution in writing signed by or on behalf of the relevant Series of Covered Bondholders holding not less than 75 per cent. in Principal Amount Outstanding of the relevant Series of Covered Bonds, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Covered Bondholders.

8. If passed, subject to satisfaction of the Consent Conditions relating to that Extraordinary Resolution, such Extraordinary Resolution will be binding on all the relevant Series of Covered Bondholders and upon all Receipholders and Couponholders of such Series, whether or not they are present at the relevant Meeting and whether or not voting.
9. The implementation of each Extraordinary Resolution is conditional on satisfaction of the Consent Conditions relating to that Extraordinary Resolution.

(3) Acknowledgements, Representations, Warranties and Undertakings

Each Covered Bondholder, the relevant person who is for the time being shown in the records of Euroclear or Clearstream (in each case, on behalf of any relevant Beneficial Owner) and each proxy and sub-proxy who attends and/or votes at the relevant Meeting including by any submission of a Consent Instruction or Ineligible Holder Instruction (as applicable) acknowledges, represents, warrants and undertakes to the Issuer, the Seller, the Bond Trustee, the Security Trustee, the LLP, the Principal Paying Agent, the Solicitation Agent and the Tabulation Agent at (i) the time of submission of such Consent Instruction or Ineligible Holder Instruction (as applicable), (ii) the Expiration Deadline and (iii) the time of the relevant Meeting and the time of any adjourned Meeting (and if a Covered Bondholder is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Covered Bondholder or Accountholder should contact the Tabulation Agent immediately) that:

- (a) It has received, reviewed and accepts the terms of this Consent Solicitation Memorandum.
- (b) It is assuming all the risks inherent in participating in the Consent Solicitation and has undertaken all the appropriate analyses of the implications of the Consent Solicitation without reliance on the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Solicitation Agent or the Tabulation Agent.
- (c) It has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any vote in relation to the relevant Extraordinary Resolution, in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations or which will or may result in the Issuer, the LLP, the Solicitation Agent, the Tabulation Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with any votes in favour of the Covered Bondholder Proposal.
- (d) It has full power and authority to vote in the relevant Meeting (or any such adjourned Meeting).
- (e) Each Consent Instruction is made on the terms and conditions set out in this Consent Solicitation Memorandum and therein.
- (f) Each Consent Instruction or Ineligible Holder Instruction is being submitted in compliance with the applicable laws or regulations of the jurisdiction in which the Covered Bondholder is located or in which it is resident or located and no registration, approval or filing with any

regulatory authority of such jurisdiction is required in connection with each such Consent Instruction or Ineligible Holder Instruction.

- (g) By blocking Covered Bonds in the relevant Clearing System, it will be deemed to consent to the relevant Clearing System providing details concerning its identity to the Issuer, the Seller, the Bond Trustee, the Security Trustee, the LLP, the Principal Paying Agent, the Solicitation Agent and the Tabulation Agent.
- (h) Any consents delivered by it in respect of the relevant Extraordinary Resolution are made upon the terms and subject to the conditions of the Consent Solicitation and by delivery of a Consent Instruction or Ineligible Holder Instruction in favour of the relevant Extraordinary Resolution, it acknowledges that the submission of a valid Consent Instruction or Ineligible Holder Instruction in favour of the relevant Extraordinary Resolution to the relevant Clearing System in accordance with the standard procedures of the relevant Clearing System and/or the Tabulation Agent, as applicable, constitutes its written consent to the relevant Extraordinary Resolution implementing the Covered Bondholder Proposal and instruction to the Principal Paying Agent to issue a block voting instruction appointing the Tabulation Agent as proxy to attend, and to cast the votes corresponding to the Covered Bonds which are the subject of the Consent Instruction or Ineligible Holder Instruction in favour of the relevant Extraordinary Resolution implementing the Covered Bondholder Proposal at the Meeting in relation to the Covered Bonds. It acknowledges that the submission of a valid Consent Instruction or Ineligible Holder Instruction against the Extraordinary Resolution to the relevant Clearing System in accordance with the standard procedures of the relevant Clearing System and/or the Tabulation Agent, as applicable, constitutes an instruction to the Principal Paying Agent to issue a Consent Instruction or Ineligible Holder Instruction appointing the Tabulation Agent as its proxy to attend, and to cast the votes corresponding to the Covered Bonds which are the subject of the Consent Instruction or Ineligible Holder Instruction against the relevant Extraordinary Resolution implementing the Covered Bondholder Proposal at the relevant Meeting.
- (i) It agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer, the LLP, the Tabulation Agent, the Solicitation Agent, the Seller, the Principal Paying Agent, the Security Trustee, the Bond Trustee or any of their respective directors or any person nominated by the Issuer or the LLP in the proper exercise of his or her powers and/or authority hereunder.
- (j) It agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Tabulation Agent and the Solicitation Agent to be desirable, in each case to perfect any of the authorities expressed to be given hereunder.
- (k) It will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Tabulation Agent and the Solicitation Agent to be necessary or desirable to effect delivery of the consents related to such Covered Bonds or to evidence such power and authority.
- (l) It holds and will hold, until the earlier of (i) the date on which its Consent Instruction or Ineligible Holder Instruction is validly revoked (including the automatic revocation of such Consent Instruction or Ineligible Holder Instruction on the termination of the relevant Consent Solicitation), in accordance with the terms of the relevant Consent Solicitation and (ii) conclusion of the relevant Meeting or (if applicable) any relevant adjourned Meeting, as the case may be, the Covered Bonds the subject of the Consent Instruction or Ineligible Holder Instruction, in the relevant Clearing System and, if it holds its Covered Bonds through

Euroclear, or Clearstream in accordance with the requirements of the relevant Clearing System and by the deadline required by the relevant Clearing System, it has submitted, or has caused to be submitted, a Consent Instruction or Ineligible Holder Instruction to the relevant Clearing System, as the case may be, to authorise the blocking of such Covered Bonds with effect on and from the date thereof so that no transfers of such Covered Bonds may be effected until the occurrence of any of the events listed in (i) or (ii) above.

- (m) It acknowledges that none of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and/or the LLP or any of their respective affiliates, directors, officers, employees or agents has made any recommendation as to whether to vote on the relevant Extraordinary Resolution and it represents that it has made its own decision with regard to voting on the relevant Extraordinary Resolution based on any independent legal, financial, tax, regulatory or other advice that it has deemed necessary to seek.
- (n) It acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every obligation of the Covered Bondholder offering to vote on the relevant Extraordinary Resolution shall to the extent permitted by applicable law be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Covered Bondholder voting on the relevant Extraordinary Resolution and shall not be affected by, and shall survive, the death or incapacity of the Covered Bondholder voting on the relevant Extraordinary Resolution, as the case may be.
- (o) It is not a person from whom it is unlawful to seek approval of the Covered Bondholder Proposal.
- (p) It is not a Sanctions Restricted Person.
- (q) It is an Eligible Covered Bondholder (in case of a Consent Instruction) or an Ineligible Covered Bondholder (in case of an Ineligible Holder Instruction).
- (r) No information has been provided to it by the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors or employees, with regard to the tax, regulatory or other consequences for Covered Bondholders arising from the participation in any Consent Solicitation or the implementation of any Extraordinary Resolution, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in any Consent Solicitation, and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors or employees, or any other person in respect of such taxes and payments.
- (s) None of the Issuer, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent, the Security Trustee and the Bond Trustee or any of their respective directors, officers, employees, agents or affiliates has given (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) of the Consent Solicitation.
- (t) None of the Issuer, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Solicitation Agent or the Tabulation Agent is acting as a fiduciary or financial or investment adviser for it.

- (u) The Covered Bonds, and the guarantees thereof, have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless an exemption from the registration requirements of the Securities Act is available (terms used in this and the following paragraph that are, unless otherwise specified, defined in Regulation S are used as defined in Regulation S).
- (v) It is not a U.S. person (as defined in Regulation S under the Securities Act), and is not acting for the account or benefit of any U.S. person, and it is not located or resident in the United States.
- (w) If it, or any Covered Bondholder it is acting as agent for, is in Canada or a resident of Canada, it, or such Covered Bondholder it is acting as agent for, is an “accredited investor” as defined in section 1.1 of NI 45-106 or section 73.3(1) of the Securities Act (Ontario), as applicable, and a “permitted client” as defined in section 1.1 of NI 31-103.
- (x) It acknowledges that the Solicitation Agent may (but is not obliged to) submit Consent Instructions for its own account as well as on behalf of other Beneficial Owners of the Covered Bonds.
- (y) The terms and conditions of the Consent Solicitation shall be deemed to be incorporated in, and form a part of, the Consent Instruction or Ineligible Holder Instruction which shall be read and construed accordingly and that the information given by or on behalf of such Covered Bondholder in the Consent Instruction or Ineligible Holder Instruction is true and will be true in all respects at the time of the relevant Meeting (or any relevant adjourned Meeting).

The representation set out at (p) above shall not be sought or given at any time after such representation is first made if and to the extent that it is or would be unenforceable by reason of breach of (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom) or (ii) any similar blocking or anti-boycott law in the European Union or the United Kingdom.

In addition, by submitting a Consent Instruction as described above, each Covered Bondholder shall be deemed to agree, and acknowledge, represent, warrant and undertake, that, in the event the relevant Extraordinary Resolution is passed and beginning at the time that the amendments to the Covered Bonds of Series become effective, until the expiry of the period of 40 days after the later of (A) the date on which the relevant Extraordinary Resolution is passed and (B) the date the amendments to the relevant Final Terms become effective, sales may not be made in the United States or to U.S. persons unless made outside the United States pursuant to Rule 903 and 904 of Regulation S, such agreements, acknowledgements, representations, warranties and undertakings in each case being made to the Issuer, the LLP, the Tabulation Agent and the Solicitation Agent at (i) the time of submission of such Consent Instruction, (ii) the Expiration Deadline and (iii) the time of the relevant Meeting and the time of any adjourned such Meeting.

If the relevant Covered Bondholder is unable to give any of the representations and warranties described above, such Covered Bondholder should contact the Tabulation Agent.

(4) Additional terms of the Consent Solicitation

- (a) Each Covered Bondholder submitting a Consent Instruction or Ineligible Holder Instruction in accordance with its terms shall be deemed to have agreed to indemnify the Issuer, the LLP, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent, the Bond Trustee, the Security Trustee and any of their respective affiliates, directors, officers, employees or agents against all and any losses, costs, fees, claims, liabilities, expenses, charges, actions or

demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, such vote by such Covered Bondholder.

- (b) If any Consent Instructions or Ineligible Holder Instructions or other communication (whether electronic or otherwise) addressed to the Issuer, the Bond Trustee, the Solicitation Agent, the Principal Paying Agent or the Tabulation Agent is communicated on behalf of a Covered Bondholder (by an attorney-in-fact, custodian, bond trustee, administrator, director or officer of a corporation or any other person acting in a fiduciary or representative capacity) that fact must be indicated in the relevant communication, and a power of attorney or other form of authority, in a form satisfactory to the Issuer, must be delivered to the Issuer, the Bond Trustee, the Solicitation Agent, the Principal Paying Agent or the Tabulation Agent (as applicable) by the Expiration Deadline. Failure to submit such evidence as aforesaid may result in rejection of the acceptance. Neither the Issuer nor any of the Bond Trustee, the Solicitation Agent, the Principal Paying Agent or the Tabulation Agent shall have any responsibility to check the genuineness of any such power of attorney or other form of authority so delivered and may conclusively rely on, and shall be protected in acting in reliance upon, any such power of attorney or other form of authority.

(5) Responsibility for delivery of Consent Instruction or Ineligible Holder Instruction

- (a) None of the Issuer, the LLP, the Solicitation Agent, the Bond Trustee, the Security Trustee, the Principal Paying Agent or the Tabulation Agent will be responsible for the communication of the Consent Instruction or Ineligible Holder Instruction by:
- Beneficial Owners to the Covered Bondholder through which they hold Covered Bonds;
 - the Covered Bondholder to the relevant Clearing System and/or the Tabulation Agent, as applicable; or
 - the Clearing Systems.
- (b) If a Beneficial Owner holds its Covered Bonds through another Covered Bondholder, such Beneficial Owner should contact that Covered Bondholder to discuss the manner in which transmission of the Consent Instruction or Ineligible Holder Instruction may be made on its behalf.
- (c) In the event that the Covered Bondholder through which a Beneficial Owner holds its Covered Bonds is unable to submit a Consent Instruction or Ineligible Holder Instruction on its behalf, such Beneficial Owner should contact the Tabulation Agent for assistance.
- (d) Covered Bondholders and Beneficial Owners are solely responsible for arranging the timely delivery of their Consent Instruction or Ineligible Holder Instructions.
- (e) If a Beneficial Owner submits Consent Instructions or Ineligible Holder Instructions in respect of its Covered Bonds through another Covered Bondholder, such Beneficial Owner should consult with that Covered Bondholder as to whether it will charge any service fees in connection with the participation in the Consent Solicitation.

(6) Withdrawal Rights

- (a) Beneficial Owners who are not also Covered Bondholders are advised to check with the bank, securities broker or any other intermediary through which they hold their Covered Bonds

whether such intermediary would require receiving instructions to participate in, or withdraw their instruction to participate in, the Consent Solicitation prior to the deadlines set out in this Consent Solicitation Memorandum (also refer to "Procedure for delivering voting instructions" above).

- (b) Covered Bondholders may revoke Consent Instructions or Ineligible Holder Instructions or otherwise, but only if the revocation is made in accordance with the provisions of the Trust Deed, and 24 hours, in the case of a block voting instruction prior to the appointed time for the relevant Meeting.

(7) Tax Consequences

In view of the number of different jurisdictions where tax laws may apply to a Covered Bondholder, this Consent Solicitation Memorandum does not discuss the tax consequences for Covered Bondholders arising from the Consent Solicitations or the relevant Extraordinary Resolutions and their implementation. Covered Bondholders are urged to consult their own professional advisers regarding the possible tax consequences of these transactions under the laws of the jurisdictions that apply to them, as well as the possible tax consequences of holding the Covered Bonds after they are modified pursuant to the relevant Extraordinary Resolution (which could differ, potentially materially, from the tax consequences of holding the Covered Bonds before they are modified). Covered Bondholders are liable for their own taxes and have no recourse to the Issuer, the LLP, the Solicitation Agent, the Bond Trustee, the Security Trustee, Tabulation Agent or any Agent with respect to any taxes arising in connection with any Consent Solicitation and/or the implementation of any Extraordinary Resolution.

(8) Irregularities

All questions as to the validity, form and eligibility (including the time of receipt) of any Consent Instructions or Ineligible Holder Instructions or revocation or revision thereof or delivery of Consent Instructions or Ineligible Holder Instructions will be determined by the Issuer in its sole discretion, which determination will be final and binding. The Issuer reserves the absolute right to reject any and all Consent Instructions or Ineligible Holder Instructions not in a form which is, in the opinion of the Issuer, lawful. The Issuer also reserves the absolute right to waive defects in Consent Instructions or Ineligible Holder Instructions with regard to any Covered Bonds. None of the Issuer, the LLP, the Solicitation Agent, the Bond Trustee, the Security Trustee, the Principal Paying Agent or the Tabulation Agent shall be under any duty to give notice to Covered Bondholders or Beneficial Owners of any irregularities in Consent Instructions or Ineligible Holder Instructions; nor shall any of them incur any liability for failure to give notification of any material amendments to the terms and conditions of the Consent Solicitation.

(9) Participation by the Issuer, the LLP, Solicitation Agent, the Principal Paying Agent and the Tabulation Agent

The Issuer, the LLP, the Solicitation Agent, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the Tabulation Agent are entitled to have or hold positions in the Covered Bonds either for their own account or for the account, directly or indirectly, of third parties and may make or continue to make a market in, or subject to the provisions of the Trust Deed vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Covered Bonds and may or may not, subject to the provisions of the Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of such Covered Bonds. The Issuer, the LLP and the Solicitation Agent are entitled to continue to hold or dispose of, in any manner it may elect, any Covered Bonds that it may hold as at the date of this Consent Solicitation Memorandum or, from such date, to acquire further Covered Bonds, subject to applicable law and may or may not, subject to the provisions of the Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of such Covered Bonds. For the avoidance of doubt, any Covered Bonds held

by the Issuer, the Issuer's Subsidiaries (including the LLP), the Issuer's holding company or any subsidiaries of such holding company as beneficial owner shall be deemed not to be outstanding. No such submission or non-submission by the Issuer, the LLP, the Solicitation Agent or the Tabulation Agent should be taken by any holder of Covered Bonds or any other person as any recommendation or otherwise by any of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying Agent and the LLP, as the case may be, as to the merits of participating or not participating in the Consent Solicitation.

(10) All Covered Bondholders of a Series are bound by the relevant Extraordinary Resolution, if implemented

Covered Bondholders should note that if an Extraordinary Resolution is passed and is implemented as a result of the Eligibility Condition being satisfied it will be binding on all Covered Bondholders of the relevant Series, whether or not they chose to participate in the relevant Consent Solicitation or otherwise vote at the relevant Meeting.

(11) Risk Factors

Blocking of Covered Bonds held through Euroclear and/or Clearstream, Luxembourg

Following the submission of a Consent Instruction or Ineligible Holder Instruction through Euroclear and/or Clearstream, Luxembourg, the Covered Bonds which are the subject of such instructions will be blocked from trading by the relevant Clearing System until the earliest of the date on which the relevant Extraordinary Resolution is duly passed, the conclusion of the relevant Meeting in relation to the relevant Covered Bonds and the date upon which the Covered Bondholder becomes entitled to withdraw, and does withdraw, its vote, in the circumstances set out under the heading "Withdrawal Rights" above. Following the expiry of the Expiration Deadline, a Covered Bondholder will only be able to withdraw its Consent Instruction or Ineligible Holder Instruction of the relevant Extraordinary Resolution in the limited circumstances set out under the heading "Amendments" above.

Responsibility for complying with the procedures of the Consent Solicitation

Covered Bondholders are solely responsible for complying with all of the procedures for submitting Consent Instructions or Ineligible Holder Instructions. None of the Issuer, the LLP, the Solicitation Agent, the Principal Paying Agent, the Bond Trustee, the Security Trustee or the Tabulation Agent assumes any responsibility for informing Covered Bondholders of irregularities with respect to Consent Instructions or Ineligible Holder Instructions.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Covered Bonds which incorporate a floating rate interest basis

If the relevant Extraordinary Resolution is passed and implemented, from and including the Effective Date, the Interest Rate for the relevant Covered Bonds for the period commencing from but excluding the applicable Final Maturity Date to and including the applicable Extended Due for Payment Date for the applicable Series will be determined on the basis of Compounded Daily SOFR (as set out in Annex A to the Notice).

Investors should be aware that the market continues to develop in relation to SONIA, SOFR and €STR as a reference rate in the capital markets and its adoption as an alternative to the relevant interbank offered rates LIBOR. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SONIA, SOFR and €STR reference rates (which seek to measure the market's forward expectation of an average SONIA, SOFR or €STR rate over a designated term). The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to Floating

Rate Covered Bonds that reference a risk free rate issued under the Programme. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference a risk free rate issued under the Programme. In this respect, the Bank of England released a discussion paper in February 2020 entitled "Supporting Risk-Free Rate transition through the provision of compounded SONIA" pursuant to which the Bank stated its intention to publish a daily SONIA compounded index and its consideration whether to publish a set of compounded SONIA period averages, an approach similar to that already taken by the Federal Reserve Bank of New York in respect of SOFR. This means that a screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this. In this respect, the Bank of England released a discussion paper in February 2020 entitled "Supporting Risk-Free Rate transition through the provision of compounded SONIA" pursuant to which the Bank stated its intention to publish a daily SONIA compounded index and its consideration whether to publish a set of compounded SONIA period averages. This is an approach similar to that already taken by the Federal Reserve Bank of New York in respect of SOFR. In March 2020, the Federal Reserve Bank of New York launched the publication of 30-, 90-, and 180-day SOFR averages as well as a SOFR index in order to support a successful transition from USD-LIBOR. There is no guarantee that the Bank of England and/or the Federal Reserve Bank of New York will not withdraw, modify or amend any published SONIA index and/or SOFR averages or index data, or that such index or averages will be widely used in the marketplace. A screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this.

Interest on Covered Bonds which reference a risk free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Covered Bonds which reference such risk free rates to reliably estimate the amount of interest which will be payable on such Covered Bonds. Further, if the Floating Rate Covered Bonds become due and payable under Condition 9, the Rate of Interest payable shall be determined on the date the Covered Bonds became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

It may be difficult for investors in Covered Bonds which reference such risk free rates to reliably estimate the amount of interest which will be payable on such Covered Bonds. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

(12) Governing Law and Jurisdiction

The terms of the Consent Solicitation, including without limitation each Consent Instruction or Ineligible Holder Instruction and any non-contractual obligations arising out of or in connection with the Consent Solicitation shall be governed by and construed in accordance with English law. By submitting a Consent Instruction or Ineligible Holder Instruction a Covered Bondholder (and, if applicable, any Beneficial Owner of the relevant Covered Bonds who holds such Covered Bonds through another Covered Bondholder) irrevocably and unconditionally agrees for the benefit of the Issuer, the LLP, the Solicitation Agent, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the Tabulation Agent that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Consent Solicitation or any of the documents referred to above or any non-contractual obligations arising out of or in connection with the Consent Solicitation or such documents and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

(13) Miscellaneous

Covered Bondholders who need assistance with respect to the procedures for participating in the Consent Solicitation should contact the Tabulation Agent, the contact details for whom appear on the back cover of this Consent Solicitation Memorandum.

SECTION 5 – AMENDMENT AND TERMINATION

Amendment and Termination

Notwithstanding any other provision of any Consent Solicitation, the Issuer may, subject to applicable laws and the relevant Meeting Provisions, at its option and in its sole discretion:

- (a) if the Consent Conditions or any other conditions to a Consent Solicitation are not satisfied or waived by the Issuer, terminate such Consent Solicitation at any time (including with respect to Consent Instructions submitted in respect of such Consent Solicitation before the time of such termination) and not implement the Proposed Amendments in respect of the relevant Series pursuant to the Consent Solicitation; and
- (b) if the Consent Conditions or any other conditions to a Consent Solicitation are not satisfied or waived by the Issuer, otherwise amend or modify at any time the terms of such Consent Solicitation (other than the terms of the relevant Extraordinary Resolution) in any respect (including, but not limited to, by waiving, where possible, any conditions to completion of such Consent Solicitation).

The Issuer will promptly give written notice of any extension, amendment, termination or waiver to the Tabulation Agent, followed by an announcement thereof to Covered Bondholders as promptly as practicable, to the extent required by this Consent Solicitation Memorandum or by law. See "*Background - Announcements*".

In the event any Consent Solicitation is terminated, if not already held, the relevant Meeting will still be held and, as specified in the paragraph below, the relevant Extraordinary Resolution will still be considered and voted on at the relevant Meeting. On such termination of a Consent Solicitation, all such Consent Instructions relating to that Consent Solicitation will be deemed to be revoked automatically.

If, following the termination of any Consent Solicitation, the relevant Extraordinary Resolution is subsequently passed at the relevant Meeting (or any adjourned such Meeting), it will nevertheless be ineffective (as implementation of the relevant Extraordinary Resolution is conditional on the relevant Consent Solicitation not having been terminated).

In the event any Consent Solicitation is terminated, all Covered Bonds in respect of which Consent Instructions had been submitted prior to the time of such termination will be unblocked promptly in the relevant account in the Clearing Systems.

Revocation Rights

If the Issuer amends any Consent Solicitation (other than the terms of the relevant Extraordinary Resolution, which may not be amended) in any way that, in the opinion of the Issuer (in consultation with the Solicitation Agent), is materially prejudicial to the interests of Covered Bondholders that have already submitted Consent Instructions in respect of the relevant Consent Solicitation before the announcement of such amendment (which announcement shall include a statement that, in the opinion of the Issuer, such amendment is materially prejudicial to such Covered Bondholders), (subject to no such materially prejudicial amendment being permissible at any time after 4 p.m. (London time) (5 p.m. (CET)) on the fourth Business Day immediately preceding the Expiration Deadline) then such Consent Instructions may be revoked at any time from the date and time of such announcement until 4 p.m. (London time) (5 p.m. (CET)) on the third Business Day immediately following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Covered Bondholders hold their Covered Bonds).

Covered Bondholders wishing to exercise any such rights of revocation should do so in accordance with the procedures set out in *Section 4 – Procedures in connection with the Consent Solicitations*. Beneficial owners

of Covered Bonds that are held through an intermediary are advised to check with such entity when it would require to receive instructions to revoke a Consent Instruction in order to meet the above deadlines. For the avoidance of doubt, any Covered Bondholder who does not exercise any such right of revocation in the circumstances and in the manner specified above shall be deemed to have waived such right of revocation and its original Consent Instruction will remain effective.

The exercise of any such right of revocation in respect of a Consent Instruction will be effective for the purposes of revoking the instruction given by the relevant Covered Bondholder for the appointment of one or more representatives of the Tabulation Agent by the Principal Paying Agent as the relevant Covered Bondholder's proxy to vote at the relevant Meeting on such Covered Bondholder's behalf only if a valid revocation instruction is received by the Tabulation Agent no later than the Expiration Deadline or (if applicable) 24 hours before any adjourned Meeting.

SOLICITATION AGENT AND TABULATION AGENT

Solicitation Agent

Lloyds Bank Corporate Markets plc is acting as the Solicitation Agent for the Consent Solicitations. The Issuer has entered into a Solicitation Agency Agreement with the Solicitation Agent which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Consent Solicitations.

The Solicitation Agent may, in the ordinary course of its business, make markets in debt securities of the Issuer, including the Covered Bonds, for its own accounts and for the accounts of its customers. As a result, from time to time, the Solicitation Agent may own certain of the Issuer's debt securities, including the Covered Bonds.

The Solicitation Agent may (i) submit Consent Instructions for its own account and (ii) submit Consent Instructions or attend (via teleconference) and vote at the relevant Meeting(s) or make other arrangements to be represented or to vote at the relevant Meeting(s) on behalf of other Covered Bondholders.

Tabulation Agent

The Issuer has retained Lucid Issuer Services Limited to act as Tabulation Agent for the Consent Solicitations relating to each Series. The Tabulation Agent will assist Covered Bondholders that require assistance in connection with the Consent Solicitations. The Issuer has agreed to pay the Tabulation Agent a customary fee for its services in connection with the Consent Solicitations, and has also agreed to reimburse the Tabulation Agent for certain expenses relating to the Consent Solicitations.

The Tabulation Agent is the agent of the Issuer and owes no duty to any Covered Bondholder.

General

The Solicitation Agent and the Tabulation Agent, and their respective affiliates, may contact Covered Bondholders regarding the Consent Solicitation and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Consent Solicitation Memorandum, the Notice and related materials to beneficial owners of the Covered Bonds.

None of the Solicitation Agent, the Tabulation Agent or any of their respective directors, officers, employees, agents and affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Consent Solicitations, the Extraordinary Resolutions, the Issuer, or the Covered Bonds in this Consent Solicitation Memorandum or for any failure by the Issuer to disclose events that may have occurred and may affect the significance or accuracy of such information and the terms of any amendment to any Consent Solicitation.

None of the Issuer, the Bond Trustee, the Security Trustee, the Solicitation Agent, the Tabulation Agent or any director, officer, employee, agent or affiliate of any such person is acting for any Covered Bondholder, or will be responsible to any Covered Bondholder for providing any protections which would be afforded to its clients or for providing advice in relation to any Consent Solicitation or any Extraordinary Resolution, and accordingly none of the Issuer, the Solicitation Agent, the Tabulation Agent or any director, officer, employee, agent or affiliate of any such person, makes any recommendation whether Covered Bondholders should participate in the relevant Consent Solicitation(s) or otherwise participate at the relevant Meeting(s).

SECTION 6 – DEFINITIONS

Capitalised terms used but not defined in this Consent Solicitation Memorandum shall, unless the context otherwise requires, have the meanings set out in the Seventh Amended and Restated Master Definitions and Construction Agreement. In addition, the following terms shall have the following meanings:

Accountholder	Each person who is shown in the records of the Clearing Systems as a holder of the Covered Bonds.
Amended and Restated Final Terms	In respect of each Series, the amended and restated Final Terms document the Issuer intends to execute if the relevant Extraordinary Resolution is passed and the Eligibility Condition relating to such Extraordinary Resolution is satisfied in order to implement the relevant changes to the Conditions of that Series.
Beneficial Owner	Means a person who is the owner of a particular principal amount of the Covered Bonds and who holds such Covered Bonds either as shown in the records of the relevant Clearing System or in the records of any Covered Bondholder or in the records of any broker, dealer, commercial bank, trust company or other nominee or custodian who holds Covered Bonds on such person's behalf and whose holding is shown in the records of a Covered Bondholder, as applicable.
Bond Trustee	Means BNY Mellon Corporate Trustee Services Limited.
Business Day	A day, other than a Saturday or a Sunday, on which banks generally are open for business in London.
CET	Means Central European Time.
Clearing Systems	Means Euroclear or Clearstream, Luxembourg, where the context permits, and each a Clearing System .
Clearstream, Luxembourg	Means Clearstream Banking, S.A.
Conditions	In respect of each Series, the terms and conditions set out in Schedule 1 to the Trust Deed, as modified and supplemented by the Final Terms applicable to such Series, as any of the same may from time to time have been modified in accordance with the Trust Deed.
Consent Conditions	In respect of each Series, the conditions to the implementation of the relevant Consent Solicitation and the relevant Extraordinary Resolution, being the passing of the relevant Extraordinary Resolution and satisfaction of the Eligibility Condition.
Consents	Means consents from Eligible Covered Bondholders to vote in favour of the Extraordinary Resolution in respect of the relevant Series approving the Covered Bondholder Proposal.

Consent Solicitation	Means in respect of each Series the solicitation of consents from the Covered Bondholders to the Covered Bondholder Proposal, which is described in this Consent Solicitation Memorandum.
Covered Bonds	The Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds.
Covered Bondholder or Holder	Means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the relevant Series.
Eligibility Condition	In respect of each Series, the condition to the implementation of the relevant Extraordinary Resolution, if passed, that the quorum required for, and the requisite majority of votes cast at, the relevant Meeting are satisfied by Eligible Covered Bondholders irrespective of any participation at the relevant Meeting by Ineligible Covered Bondholders (including the satisfaction of such condition at an adjourned Meeting as described in " <i>Consent Solicitation – Meetings</i> ").
Eligible Covered Bondholder	Each Covered Bondholder who is (a) located and resident outside the United States and not a U.S. person (as defined in Regulation S under the Securities Act), (b) an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client, in each case in respect of the relevant Series of Covered Bonds and (c) otherwise a person to whom the relevant Consent Solicitation can be lawfully made and that may lawfully participate in the relevant Consent Solicitation.
Euroclear	Euroclear Bank S.A./N.V.
Extraordinary Resolution	Means in respect of each Series, the Extraordinary Resolution relating to such Series to approve, inter alia, the Covered Bondholder Proposal in respect of the relevant Series of Covered Bonds to be proposed and considered at the relevant Meeting.
Final Terms	In respect of each Series, the final terms document(s) executed by the Issuer at the time of issue of the relevant Covered Bonds, which modifies or supplements the Conditions.
Ineligible Covered Bondholder	A Covered Bondholder who is either (i) a U.S. person and/or located or resident in the United States and/or (ii) not an eligible counterparty or a professional client (each as defined in MiFID II) and, if applicable and acting on a non-discretionary basis, who is not acting on behalf of a beneficial owner that is also an eligible counterparty or a professional client, in each case in respect of the relevant Series of Covered Bonds and/or (iii) a person to whom the Consent Solicitation cannot otherwise be lawfully made.

LLP	Means Lloyds Bank Covered Bonds LLP.
Meeting	In respect of each Series, the meeting of Covered Bondholders of the relevant Series convened by the Notice, to be held via teleconference on 4 December 2020 at the time specified in the Notice, and to consider and, if thought fit, pass the relevant Extraordinary Resolution. See " <i>Form of Notice of Covered Bondholder Meetings</i> ". In this Consent Solicitation Memorandum references to a Meeting shall include reference to any adjournment of the Meeting so far as the context permits.
Meeting Provisions	In respect of each Series, the provisions for meetings of Covered Bondholders of the relevant Series set out in Schedule 4 to the Trust Deed.
MiFID II	Means Directive 2014/65/EU (as amended or superseded).
MiFID Product Governance Rules	Means the product governance rules under EU Delegated Directive 2017/593 (as amended or superseded).
Notice	The notice dated 9 November 2020 convening the Meeting, as set out in " <i>Form of Notice of Covered Bondholder Meetings</i> ".
Pricing Date	Means 4 December 2020
Principal Paying Agent	Means The Bank of New York Mellon, acting through its London branch.
Proposed Amendments	Has the meaning given on page 5.
Registrar	Means The Bank of New York Mellon SA/NV, Luxembourg Branch.
Regulation S	Means Regulation S under the Securities Act.
Sanctions Authority	Each of: <ul style="list-style-type: none"> (i) the United States government; (ii) the United Nations; (iii) the European Union (or any of its member states) or the United Kingdom; (iv) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (v) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury.

Sanctions Restricted Person

Each person or entity (a **Person**):

- (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at:
<https://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at:
<http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at:
https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions); or
- (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (i) the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at:
<https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the **SSI List**), (ii) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 and Council Regulation (EU) No 1290/2014 and Council Regulation (EU) No 2015/1797 (the **EU Annexes**), or (iii) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes.

Security Trustee

Means BNY Mellon Corporate Trustee Services Limited.

Securities Act

The United States Securities Act of 1933, as amended.

Series

Each of the Series 2018-5 Covered Bonds and the Series 2019-5 Covered Bonds.

Series 2018-5 Covered Bonds

U.S.\$750,000,000 3.375 per cent. Series 2018-5 Covered Bonds due November 2021 (ISIN: XS1907146671) of the Issuer.

Series 2019-5 Covered Bonds

U.S.\$1,000,000,000 Series 2019-5 2.125 per cent. Fixed Rate Covered Bonds due July 2022 (ISIN: XS2031976082) of the Issuer.

Compounded Daily SOFR

Means the rate of return of a daily compound interest investment determined as set out in Annex A to the Notice.

Solicitation Agent

Lloyds Bank Corporate Markets plc.

Supplemental Agency Agreement

In respect of each Series, the supplemental Agency Agreement to be entered into between, *inter alios*, the Issuer, Principal

Paying Agent, Registrar, Bond Trustee and the Security Trustee if the relevant Extraordinary Resolution is passed and the Eligibility Condition relating to such Extraordinary Resolution is satisfied in order to implement the relevant changes to the Conditions of that Series.

Supplemental Trust Deed

In respect of each Series, the supplemental Trust Deed document to be entered into between the Issuer and the Trustee if the relevant Extraordinary Resolution is passed and the Eligibility Condition relating to such Extraordinary Resolution is satisfied in order to implement the relevant changes to the Conditions of that Series.

Swap Amendment Agreement

Means the amendment agreement amending and restating the confirmations in respect of the Series 2018-5 Covered Bond Swap and the Series 2019-5 Covered Bond Swap, which, the supplemental Trust Deed document to be entered into between the Issuer and the Trustee if the relevant Extraordinary Resolution is passed and the Eligibility Condition relating to such Extraordinary Resolution is satisfied in order to implement the relevant changes to the Series 2018-5 Covered Bond Swap and the Series 2019-5 Covered Bond Swap.

Tabulation Agent

Means Lucid Issuer Services Limited.

USD LIBOR

Means LIBOR for U.S. Dollars.

USD LIBOR vs SOFR Interpolated Basis

Means the interpolation methodology set out in Annex B to the Notice.

ISSUER

Lloyds Bank plc
25 Gresham Street
London EC2V 7HN
United Kingdom

TABULATION AGENT

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom
Attn: Arlind Bytyqi
Tel: +44 20 7704 0880
Email: lloydsbank@lucid-is.com

SOLICITATION AGENT

LLOYDS BANK CORPORATE MARKETS PLC
10 Gresham Street
London EC2V 7AE
United Kingdom
Attn: Liability Management Team, Commercial Banking
Tel: +44 20 7158 1726 / 1719
Email: liability.management@lloydsbanking.com