

## 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);
    - (i) 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**);
    - (ii) 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
    - (iii) 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);
    - (i) 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**);
    - (ii) 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
    - (iii) 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](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 depository 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:

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

where:

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

**d<sub>0</sub>** 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<sub>0</sub>, 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<sub>i</sub>**, 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<sub>i-pUSBD</sub>** 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.