

IMPORTANT NOTICE

FOR DISTRIBUTION ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN “U.S. PERSONS” (AS DEFINED IN REGULATION S 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 Securities referred to in this Consent Solicitation Memorandum are not available to retail investors in the EEA or the UK.

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 (in addition to giving the representations set out below) 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 Banking Group 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.

The Consent Solicitation Memorandum is addressed only to holders of the £1,494,392,000 7.625 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2023 (ISIN: XS1043552188) and the £750,009,000 7.875 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2029 (ISIN: XS1043552261) issued by Lloyds Banking Group plc (the “**Securityholders**”) 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 SECURITIES (AS DEFINED BELOW) 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 SECURITIES 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 REGULATION S 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 confirm to the Issuer, the Solicitation Agent and the Tabulation Agent that:

- (i) you are a holder or a beneficial owner of the Securities;
- (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) you consent to delivery of the attached Consent Solicitation Memorandum by electronic transmission;
- (v) you have understood and agreed to the terms set forth in this disclaimer;
- (vi) you are, and any beneficial owner of the Securities 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 Securities; and
- (vii) 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 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 the 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 BANKING GROUP PLC

(incorporated with limited liability in Scotland registered number 95000)
(the “Issuer”)

£1,494,392,000 7.625 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2023 (ISIN: XS1043552188) (the “PNC9 Securities”)
£750,009,000 7.875 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2029 (ISIN: XS1043552261) (the “PNC15 Securities”)

(each a “Series” and, together, the “Securities”)

CONSENT SOLICITATION MEMORANDUM

relating to the proposals to the eligible holders of its outstanding Securities 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 Securities such that (i) the Reset Reference Rate (as defined in the relevant Conditions) ceases to be a London Inter Bank Offered Rate (“LIBOR”) linked mid-swap rate and becomes a Sterling Overnight Index Average (“SONIA”) linked mid-swap rate; (ii) an adjustment (the “Reset Reference Rate Adjustment”) is made to reflect the economic difference between the LIBOR and SONIA rates; (iii) the Margin (as defined in the relevant Conditions) applicable to each Series of Securities remains unaltered; (iv) the fallbacks relating to the Reset Reference Rate are amended; and (v) new fallbacks are included in case a Benchmark Event (as defined in this Consent Solicitation Memorandum) occurs with respect to the Reset Rate of Interest, 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	First Reset Date	Prevailing interest rate (per cent./per annum)	Outstanding principal amount
PNC9 Securities	XS1043552188 / 104355218	27 June 2023	7.625 per cent. Fixed Rate	GBP 1,494,392,000
PNC15 Securities	XS1043552261 / 104355226	27 June 2029	7.875 per cent. Fixed Rate	GBP 750,009,000

The Consent Solicitation will expire at 10 a.m. (London time) (11 a.m. (CET)) on 19 October 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. Securityholders 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 in person 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 UK government, it may become impossible or inadvisable to hold each relevant Meeting at a physical location. Accordingly, in accordance with the provisions of the relevant Trust Deed, the Issuer has requested that the Trustee prescribe appropriate regulations regarding the holding of the relevant Meeting via teleconference.

Any Securityholders who indicate 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.

Securityholders who have requested that their votes are included in a Consent Instruction instructing the Principal Paying and Conversion Agent to appoint one or more representatives of the Tabulation Agent as its 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.

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 either Consent Solicitation. If any Securityholder 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 and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Securities 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 manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities 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 Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (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 Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

IMPORTANT - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: The Securities 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 (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of 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 Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

CONSENT SOLICITATIONS

The Issuer is inviting the Securityholders (as defined herein) to approve, by a separate Extraordinary Resolution of the holders of each Series, the relevant amendments to the Conditions of the relevant Series, as set out in the Notice (as defined below).

Pursuant to each Consent Solicitation, the Issuer is also inviting each Securityholder 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 Securities 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 Securityholder**”), 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, Securityholders 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 66.

Key Terms and Conditions of the Consent Solicitations

Each Consent Solicitation commences on the date of this Consent Solicitation Memorandum.

The deadline for receipt by the Tabulation Agent of Consent Instructions from Securityholders wishing to vote in respect of the relevant Extraordinary Resolution is 10 a.m. (London time) (11 a.m. (CET)) on 19 October 2020 (such time and date with respect to each Series, the “**Expiration Deadline**”).

In case of an adjourned Meeting, the Expiration Deadline will be notified to the Securityholders in the notice of the adjourned Meeting and will be not less than 48 hours before the time fixed for the adjourned Meeting.

Proposed Amendments

The purpose of each Consent Solicitation is to modify the Conditions of the relevant Series (as set out in the relevant Trust Deed), to make consequential or related amendments to the transaction documents for the relevant Series, and to authorise the Trustee to agree to such modifications, to amend the Reset Reference Rate (as defined in the relevant Conditions) such that (i) the Reset Reference Rate ceases to be a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) and becomes a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)); (ii) the Reset Reference Rate Adjustment is made to reflect the economic difference between the LIBOR linked mid-swap rate and SONIA linked mid-swap rate; (iii) the Margin applicable to each Series of Securities remains unaltered by these changes; (iv) the fallbacks relating to the Reset Reference Rate are amended; and (v) new fallbacks are included in case a Benchmark Event occurs with respect to the Reset Rate of Interest, as further described under “*Background – Amendments to the*” below and in the Notice (the “**Proposed Amendments**”).

Consent Conditions

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 Securityholders only, irrespective of any participation at the relevant Meeting by Ineligible Securityholders (including, if applicable, the satisfaction of such condition at an adjourned Meeting as described in “*Meetings*” below) (the “**Eligibility Condition**”),

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

The Issuer will announce (i) the results of each Meeting and (ii) if either 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 21 October 2020 has been given to Securityholders in accordance with the relevant Conditions on the date of this Consent Solicitation Memorandum. The form of the Notice is set out in Section 3 of this Consent Solicitation Memorandum.

The initial Meeting in respect of the:

- (i) PNC9 Securities (the “**PNC9 Securities Meeting**”) will commence at 10.00 a.m. (London time) (11.00 a.m. CET); and
- (ii) PNC15 Securities (the “**PNC15 Securities Meeting**”) will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the PNC9 Securities Meeting (whichever is later).

At each Meeting, Securityholders 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 Securityholder Meetings*”.

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 75 per cent. 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 relevant Trust Deed, an Extraordinary Resolution shall be binding on all Securityholders of the relevant Series, whether present or not at the relevant Meeting and whether or not voting.

Consent Instructions delivered by both Eligible Securityholders and Ineligible Securityholders 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 Securityholders of the relevant Series at such adjourned Meeting for the purposes of determining whether it can be passed irrespective of participation by Ineligible Securityholders 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 25 per cent. 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 the event that an Extraordinary Resolution is passed but the Eligibility Condition is not also satisfied (or waived) at an adjourned Meeting, the Extraordinary Resolution will not be implemented.

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 Securityholder Meetings*”), each Securityholder must confirm whether or not it is an Eligible Securityholder. A Consent Instruction which does not include a confirmation as to whether the relevant Securityholder is an

Eligible Securityholder or an Ineligible Securityholder will be treated as not having been validly submitted and will be rejected.

Securityholders should refer to the Notice for full details of the procedures in relation to the Meeting. See “Form of Notice of Securityholder Meetings” below.

Consent Instructions

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

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

General

Any Consent Instruction may be revoked by the relevant Securityholder at any time prior to, but not after, the Expiration Deadline (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Securityholders hold their Securities).

The above provisions relating to Consent Instructions do not affect the rights of Securityholders to attend and vote at the relevant Meeting in person 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 Solicitations*” 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. the following Business Day after the relevant decision is made. See *Section 5 – “Amendment and Termination”*.

*Securityholders are advised to check with any bank, securities broker or other intermediary through which they hold their Securities when such intermediary would need to receive instructions from a Securityholder in order for such Securityholder 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 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 Securityholder 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 Securityholder is solely responsible for making its own independent appraisal of all matters (including those relating to the relevant Consent Solicitation, the Securities, the relevant Extraordinary Resolution and the Issuer) as such Securityholder deems appropriate in evaluating, and each Securityholder 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 and Conversion Agent are the agent of the Issuer and owe no duty to any Securityholder.

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

None of the Trustee, the Solicitation Agent, the Tabulation Agent or the Principal Paying and Conversion Agent makes any representation that all relevant information has been disclosed to Securityholders in or pursuant to the Notice of Securityholder Meetings, this Consent Solicitation Memorandum or otherwise. Securityholders of the relevant Series should take their own independent legal, financial, tax 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 Trustee, the Solicitation Agent, the Tabulation Agent and the Principal Paying and Conversion Agent 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 or that the information in this Consent Solicitation Memorandum has remained accurate and complete. None of the Solicitation Agent, the Tabulation Agent, the Trustee or the Principal Paying and Conversion Agent or any of their respective agents accepts any responsibility for the information contained in this Consent Solicitation Memorandum.

None of the Trustee, the Solicitation Agent, the Tabulation Agent or the Principal Paying and Conversion Agent 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 Trustee, the Solicitation Agent, the Tabulation Agent and the Principal Paying and Conversion Agent 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 Trustee, the Solicitation Agent, the Tabulation Agent and the Principal Paying and

Conversion Agent 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 Trustee, the Solicitation Agent, the Tabulation Agent or the Principal Paying and Conversion Agent as to whether or how a Securityholder 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 Trustee, the Solicitation Agent, the Tabulation Agent or the Principal Paying and Conversion Agent.

This Consent Solicitation Memorandum is issued and directed only to the Securityholders 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 Securityholder for any purpose other than the Consent Solicitation.

The Issuer, the Solicitation Agent and the Principal Paying and Conversion Agent are entitled to have or hold positions in the Securities 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 relevant Trust Deed, vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Securities and may or may not, subject to the provisions of the relevant Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of the Securities. The Issuer and the Solicitation Agent are entitled to continue to hold or dispose of, in any manner it may elect, the Securities that it may hold as at the date of this Consent Solicitation Memorandum or, from such date, to acquire further Securities, subject to applicable law and may or may not, subject to the provisions of the relevant Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of such Securities. For the avoidance of doubt, any Securities 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 Securities or any other person as any recommendation or otherwise by any of the Issuer, the Trustee, the Solicitation Agent, the Tabulation Agent and the Principal Paying and Conversion Agent, 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 Trustee, the Solicitation Agent, the Tabulation Agent, the Principal Paying and Conversion Agent 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 Securityholder 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 Securityholder Proposal and/or the action it should take, it should consult its professional advisers.

The date of this Consent Solicitation Memorandum is 29 September 2020.

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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 either 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 Securityholders holding Securities 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 Securityholders who are not themselves direct account holders in the Clearing Systems should read carefully the provisions set out in the “*Voting and Quorum*” section of the Notice of Securityholder Meeting which accompanies this Consent Solicitation Memorandum, and the provisions set out in *Section 4* “– *Procedures in connection with the Consent Solicitations*” of this Consent Solicitation Memorandum.

Securities held through Euroclear or Clearstream, Luxembourg

The beneficial owners of the Securities 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 Securities are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

The Securityholders should note that 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
29 September 2020 <i>(At least 21 clear days before the Meeting)</i>	<p>1. Notice of the Meetings to be delivered to the Clearing Systems.</p> <p>Release of Notice through the regulatory news service of the London Stock Exchange.</p> <p>Copies of this Consent Solicitation Memorandum to be available from the Tabulation Agent and the Securityholder Information (as defined in the Notice) to be available for inspection, as indicated, at the specified office of the Principal Paying and Conversion 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, Securityholders may arrange for Securities 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 and Conversion Agent in order to obtain a form of proxy or give valid Consent Instructions or Ineligible Holder Instructions, to the Tabulation Agent.</p>

- By 10 a.m. (London time) (11 a.m. CET) on 19 October 2020**
(At least 48 hours before the Meeting)
2. Expiration Deadline.
Final time by which Securityholders have arranged for:
- (i) obtaining a form of proxy from the Principal Paying and Conversion Agent in order to attend (via teleconference) and vote at the relevant Meeting; or
 - (ii) receipt by the Tabulation Agent of valid Consent Instructions or Ineligible Holder Instructions in accordance with the procedures of Clearstream, Luxembourg and/or Euroclear.
3. Final time by which Securityholders 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 21 October 2020**
4. **SECURITYHOLDERS' MEETINGS HELD**
The initial Meeting in respect of:
- (i) the PNC9 Securities will commence at 10.00 a.m. (London time) (11.00 a.m. CET); and
 - (ii) the PNC15 Securities will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the PNC9 Securities 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 Meetings and, if the relevant Extraordinary Resolution is passed, satisfaction (or not) 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 21 October 2020 (the "Pricing Date")**
- Pricing Time and Pricing Date**
Solicitation Agent to calculate the relevant Reset Reference Rate Adjustment in respect of each Series.
A pricing announcement will be delivered through the Clearing Systems and released through the regulatory news service of the London Stock Exchange as soon as practicable following the Pricing Time on the Pricing Date.

- Effective Date**
6. 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 relevant Supplemental Trust Deed will be executed by the Issuer and the Trustee and the modifications to the Conditions of relevant Series described in this Consent Solicitation Memorandum will be implemented with effect on and from 21 October 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 Securityholders for that Series will be held at a date as will be notified to the Securityholders in the notice of the adjourned Meeting.

The unaudited interim condensed consolidated financial statements of the Issuer for the nine months ended 30 September 2020 (the “Interim Results”) are expected to be published on 29 October 2020. In case an adjourned Meeting is to be held, investors will be entitled to revoke their instructions with effect from the date on which a notice of adjournment is issued and such adjourned Meeting will be held on a date following publication of the Interim Results which will allow for sufficient time for investors to provide voting instructions post publication of the Interim Results.

The adjourned Meeting will be held in accordance with the terms of the relevant Trust Deed. If the Extraordinary Resolution is passed at the adjourned Meeting and the Eligibility Condition is satisfied in respect of the relevant Series, the relevant Supplemental Trust Deed will be executed by the Issuer and the Trustee and 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 Securityholder 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).

2 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 after the end of 2021 and expects that some panel banks will cease contributing to LIBOR panels at such time. In addition, the Bank of England and the FCA announced that they have mandated a working group to promote a broad-based transition to the Sterling Overnight Index Average (“SONIA”) across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Therefore, 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 SONIA and other risk-free rates ahead of this deadline.

On the basis that the First Reset Date of each Series falls after 2021, the Issuer has convened the Meetings for the purpose of enabling the relevant Securityholders to consider and resolve, if they think fit, to approve the relevant Security Proposal (as further described in *Section 2 – Securityholder Proposal*) by way of an Extraordinary Resolution in relation to the relevant Series implementing a change related to the Reset Reference Rate such that (i) the Reset Reference Rate ceases to be a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) and becomes a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)); (ii) the Reset Reference Rate Adjustment is made to reflect the economic difference between the LIBOR linked mid-swap rate and SONIA linked mid-swap rate; (iii) the Margin applicable to each Series of Securities remains unaltered by these changes; (iv) the fallbacks relating to the Reset Reference Rate are amended; and (v) new fallbacks are included in case a Benchmark Event occurs with respect to the Reset Rate of Interest.

The pricing methodology proposed for the adjustment to the Reset Reference Rate on conversion of the Reset Reference Rate from a LIBOR linked mid-swap rate to a SONIA linked mid-swap rate uses only market observable screen spot rates. The determination of the relevant market observable screen spot rates will take place at or around 2 p.m. (London time) (the “Pricing Time”) on 21 October 2020 (the “Pricing Date”, except where there is an adjournment of the Meeting, in which case the Pricing Date will be specified in the notice of the adjourned Meeting). If there is an adjourned Meeting, the adjustment to the Reset Reference Rate may be different to the amounts which would have been calculated if the relevant Extraordinary Resolution had been passed (and the Eligibility Condition satisfied) at the initial Meeting.

The date from which the proposed change in Reset Reference Rate is to occur will be the Effective Date (which is expected to be 21 October 2020).

Securityholders are urged to read (i) Sections 1 and 2 of this Consent Solicitation Memorandum which provide further background to the Securityholder Proposal and (ii) the Securityholder Information (as defined in the Notice) available for inspection at the specified office of the Principal Paying and Conversion 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 the “*Documents Available for Inspection*” section of the Notice.

3 SUMMARY OF PROPOSED CHANGES TO THE TRANSACTION DOCUMENTS

Amendments to the Securities

PNC9 Securities

If the Extraordinary Resolution relating to the PNC9 Securities (the “**PNC9 Securities Extraordinary Resolution**”) is passed and the Eligibility Condition relating to the PNC9 Securities Extraordinary Resolution is satisfied, in order to implement the change in the Reset Reference Rate such that it ceases to be a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) and becomes a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)) from the Effective Date, the Issuer intends to execute a supplemental trust deed (the “**PNC9 Securities Supplemental Trust Deed**”).

PNC15 Securities

If the Extraordinary Resolution relating to the PNC15 Securities (the “**PNC15 Securities Extraordinary Resolution**”) is passed and the Eligibility Condition relating to the PNC15 Securities Extraordinary Resolution is satisfied, in order to implement the change in the Reset Reference Rate such that it ceases to be a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) and becomes a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)) from the Effective Date, the Issuer intends to execute a supplemental trust deed (the “**PNC15 Securities Supplemental Trust Deed**”).

The relevant Supplemental Trust Deed will also be executed by the Trustee (acting on the authority granted by the relevant Extraordinary Resolution), in order to evidence the Trustee’s agreement to the amendments to the relevant Conditions.

For Securityholders’ convenience, certain of the principal changes that will be made by way of each Supplemental Trust Deed are described below in order to summarise for Securityholders 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 Supplemental Trust Deeds, each of which is available to Securityholders as described under “*Form of Notice of Securityholder Meetings – Documents Available for Inspection*” (all of which Securityholders should consider carefully before any decision is made with respect to any Consent Solicitation and/or any Extraordinary Resolution).

Item in Conditions	Provision in Trust Deed	Summary of Provisions in Supplemental Trust Deed
<i>PNC9 Securities</i>		
Change of Interest or Redemption/Payment Basis:	For the Initial Fixed Interest period, the Interest Rate will be 7.625 per cent. per annum. From the Reset Date the following Interest provisions apply:	From the Reset Date the following Interest provisions apply: <i>Interest Basis:</i> the Interest Rate shall be the sum of (a) the Adjusted Reset Reference Rate;

Interest Basis: the Interest Rate shall be the sum of (a) the Reset Reference Rate; and (b) the Margin of 5.01 per cent. per annum.

“**Reset Reference Rate**” means in respect of the relevant Reset Period, (i) the applicable semi-annual mid-swap rate for swap transactions in pounds sterling (with a maturity equal to 5 years) as displayed on the Screen Page at 11.00 a.m. (London time) on the relevant Reset Determination Date or (ii) if such rate is not displayed on the Screen Page at such time and date, the relevant Reset Reference Bank Rate,

where:

“**First Reset Date**” means 27 June 2023;

“**Mid-Swap Quotations**” means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg (calculated on a Actual/365 day count basis) of a fixed for floating interest rate swap transaction in pounds sterling which (i) has a term commencing on the relevant Reset Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month LIBOR rate (calculated on an Actual/365 day count basis);

“**Reset Date**” means the First Reset Date and each date falling five, or an integral multiple of five, years after the First Reset Date;

and (b) the Margin of 5.01 per cent. per annum.

“**Adjusted Reset Reference Rate**” means the sum, converted to a semi-annual rate in accordance with market convention, of (i) the relevant Reset Reference Rate; and (ii) the Reset Reference Rate Adjustment, where:

“**First Reset Date**” means 27 June 2023;

“**Margin**” means 5.01 per cent. (expressed on a semi-annual basis);

“**Mid-Swap Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in pounds sterling which (i) has a term commencing on the relevant Reset Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the overnight SONIA rate compounded for 12-months (calculated on an Actual/365 day count basis);

“**Reset Date**” means the First Reset Date and each date falling five, or an integral multiple of five, years after the First Reset Date;

“**Reset Determination Date**” means, in respect of a Reset Period, the day falling two London business days prior to the first day of such Reset Period;

“Reset Determination Date” means, in respect of a Reset Period, the day falling two London business days prior to the first day of such Reset Period;

“Reset Period” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“Reset Reference Bank Rate” means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (London time) on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be determined by the Calculation Agent in its sole discretion following consultation with the Issuer; and

“Reset Period” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date (such period, the **“First Reset Period”**), and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“Reset Reference Bank Rate” means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (London time) on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the First Reset Period, the relevant Reset Reference Rate but calculated as at the last available date preceding the relevant Reset Determination Date on which such a rate was published; or (ii) in the case of the First Reset

“**Reset Reference Banks**” means four major banks in the interbank market in London as selected by the Calculation Agent, after consultation with the Issuer. Interest Payment Dates: 27 March, 27 June, 27 September and 27 December in each year.

Interest Payment Date: 27 March 27 June, 27 September and 27 December in each year.

Business Days: London

Relevant Screen Page: Reuters ISDAFIX4.

Period, an amount equal to 2.042 per cent.¹;

“**Reset Reference Banks**” means four major banks in the interbank market in London as selected by the Calculation Agent, after consultation with the Issuer;

“**Reset Reference Rate**” means in respect of the relevant Reset Period, (i) the applicable annual mid-swap rate for swap transactions in pounds sterling (with a maturity equal to 5 years) where the floating leg pays daily compounded SONIA annually and calculated and published by ICE Benchmark Administration Limited on the relevant Reset Determination Date and displayed at 11.15 a.m. (London time) on the relevant Reset Determination Date on such Bloomberg or Reuters page (the “**Screen Page**”) or, as the case may be, on such other information service that may replace Bloomberg or Reuters, in each case, as may be nominated by ICE Benchmark Administration Limited; or (ii) if such rate is not displayed on the Screen Page at such time and date (other than in the circumstances provided for in Condition 5(i)), the relevant Reset Reference Bank Rate; and

“**Reset Reference Rate Adjustment**” means [•] per cent. (expressed on an annual basis).²

Benchmark Discontinuation fallbacks have been included as new Condition 5(d) in the Conditions as follows:

Benchmark Discontinuation -

¹ Amount determined by reference to the intra-day high for the 5 year mid-swap rate cited as on 20 March 2014, being the pricing date for the Securities at the time of their issuance (Source: Bloomberg).

² Amount to be determined in accordance with Annex B to the Notice of Securityholder Meetings.

A. If a Benchmark Event occurs in relation to an Original Reference Rate when any required Reset Rate of Interest (or any component part thereof), remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(ii) The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments.

(iii) If the Issuer, following consultation with the Independent Adviser, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Securities); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Securities).

(iv) The applicable Adjustment Spread shall be applied to the Successor Rate or

the Alternative Rate (as the case may be) for each subsequent determination of a Reset Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(v) If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition and the Issuer, following consultation with the Independent Adviser, determines (A) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Conditions, without any requirement for the consent or approval of Securityholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments, subject to satisfaction of certain conditions set out in the Conditions.

Notwithstanding any other provision of this Condition, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other amendment to the terms and conditions of the Securities be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Securities as Tier 1 Capital.

Where:

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement

rate for the Original Reference Rate; or

(iii) if the Issuer determines there is no such spread, formula or methodology customarily applied, the Issuer determines, following consultation with the Independent Adviser is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer determines in accordance with relevant Condition is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same currency as the Securities.

“Benchmark Event” means, with respect to an Original Reference Rate:

(i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

(ii) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used either generally or in respect of the Securities, or that its use will be subject to restrictions or adverse consequences; or

(v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) it has or will prior to the next Reset Determination Date become unlawful for any Paying and Conversion Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Securityholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable), provided that the Benchmark Event shall be deemed to occur in the case of paragraphs (ii) and (iii) above, on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate, in the case of paragraph (iv) above, on the date of prohibition of use of the Original Reference Rate and, in

the case of paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense.

“Original Reference Rate” means the screen rate originally specified for the purpose of determining the Reset Rate of Interest (or any relevant component part(s) thereof) on the Securities (provided that if, following one or more Benchmark Events, such originally specified Reset Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate (as applicable), the term “Original Reference Rate” shall be deemed to include any such Successor Rate or Alternative Rate, as the case may be).

“Relevant Nominating Body” means:

- (i) the central bank for the currency to which the screen rate relates, or any central bank or other supervisory authority which

is responsible for supervising the administrator of the screen rate; or
(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the screen rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

PNC15 Securities

<p>Change of Interest or Redemption/Payment Basis:</p>	<p>For the Initial Fixed Interest period, the Interest Rate will be 7.875 per cent. per annum. From the Reset Date the following Interest provisions apply: <i>Interest Basis:</i> the Interest Rate shall be the sum of: (a) the Reset Reference Rate; and (b) the Margin of 4.83 per cent. per annum. “Reset Reference Rate” means in respect of the relevant Reset Period, (i) the applicable semi-annual mid-swap rate for swap transactions in pounds sterling (with a maturity equal to 5 years) as displayed on the Screen Page at 11.00 a.m. (London time) on the relevant Reset Determination Date or (ii) if such rate is not displayed on the Screen Page at such time and date, the relevant Reset Reference Bank Rate, where: “First Reset Date” means 27 June 2029; “Mid-Swap Quotations” means the arithmetic mean of the bid and offered rates for the semi-annual</p>	<p>From the Reset Date the following Interest provisions apply: <i>Interest Basis:</i> the Interest Rate shall be the sum of (a) the Adjusted Reset Reference Rate; and (b) the Margin of 4.83 per cent. per annum. “Adjusted Reset Reference Rate” means the sum, converted to a semi-annual rate in accordance with market convention, of (i) the relevant Reset Reference Rate; and (ii) the Reset Reference Rate Adjustment, where: “First Reset Date” means 27 June 2029; “Margin” means 4.83 per cent. (expressed on a semi-annual basis); “Mid-Swap Quotations” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in pounds sterling which (i) has a term commencing</p>
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fixed leg (calculated on a Actual/365 day count basis) of a fixed for floating interest rate swap transaction in pounds sterling which (i) has a term commencing on the relevant Reset Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month LIBOR rate (calculated on an Actual/365 day count basis);

“Reset Date” means the First Reset Date and each date falling five, or an integral multiple of five, years after the First Reset Date;

“Reset Determination Date” means, in respect of a Reset Period, the day falling two London business days prior to the first day of such Reset Period;

“Reset Period” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“Reset Reference Bank Rate” means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (London time) on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are

on the relevant Reset Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the overnight SONIA rate compounded for 12-months (calculated on an Actual/365 day count basis);

“Reset Date” means the First Reset Date and each date falling five, or an integral multiple of five, years after the First Reset Date;

“Reset Determination Date” means, in respect of a Reset Period, the day falling two London business days prior to the first day of such Reset Period;

“Reset Period” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date (such period, the **“First Reset Period”**), and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“Reset Reference Bank Rate” means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (London time) on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations

provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be determined by the Calculation Agent in its sole discretion following consultation with the Issuer; and

“Reset Reference Banks” means four major banks in the interbank market in London as selected by the Calculation Agent, after consultation with the Issuer.

Interest Payment Date: 27 March 27 June, 27 September and 27 December in each year.

Business Days: London

Relevant Screen Page: Reuters ISDAFIX4.

provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the First Reset Period, the relevant Reset Reference Rate but calculated as at the last available date preceding the relevant Reset Determination Date on which such a rate was published; or (ii) in the case of the First Reset Period, an amount equal to 2.042 per cent.³;

“Reset Reference Banks” means four major banks in the interbank market in London as selected by the Calculation Agent, after consultation with the Issuer;

“Reset Reference Rate” means in respect of the relevant Reset Period, (i) the applicable annual mid-swap rate for swap transactions in pounds sterling (with a maturity equal to 5 years) where the floating leg pays daily compounded SONIA annually and calculated and published by ICE Benchmark Administration Limited on the relevant Reset Determination Date and displayed at 11.15 a.m. (London time) on the relevant Reset Determination

³ Amount determined by reference to the intra-day high for the 5 year mid-swap rate cited as on 20 March 2014, being the pricing date for the Securities at the time of their issuance (Source: Bloomberg).

Date on such Bloomberg or Reuters page (the “**Screen Page**”) or, as the case may be, on such other information service that may replace Bloomberg or Reuters, in each case, as may be nominated by ICE Benchmark Administration Limited; or (ii) if such rate is not displayed on the Screen Page at such time and date (other than in the circumstances provided for in Condition 5(i)), the relevant Reset Reference Bank Rate; and

“**Reset Reference Rate Adjustment**” means [●] per cent. (expressed on an annual basis).⁴

Benchmark Discontinuation -

Benchmark Discontinuation fallbacks have been included as new Condition 5(d) in the Conditions as follows:

A. If a Benchmark Event occurs in relation to an Original Reference Rate when any required Reset Rate of Interest (or any component part thereof), remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(ii) The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments.

(iii) If the Issuer, following consultation with the Independent Adviser, determines that:

⁴ Amount to be determined in accordance with Annex B to the Notice of Securityholder Meetings.

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Securities); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Securities).

(iv) The applicable Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a Reset Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(v) If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition and the Issuer, following consultation with the Independent Adviser, determines (A) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such

amendments, the “**Benchmark Amendments**”); and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Conditions, without any requirement for the consent or approval of Securityholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments, subject to satisfaction of certain conditions set out in the Conditions.

Notwithstanding any other provision of this Condition, no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other amendment to the terms and conditions of the Securities be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Securities as Tier 1 Capital.

Where:

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case

may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) if the Issuer determines there is no such spread, formula or methodology customarily applied, the Issuer determines, following consultation with the Independent Adviser is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer determines in accordance with relevant Condition is customarily applied in international debt capital markets transactions for the purposes of determining rates of

interest (or the relevant component part thereof) for a commensurate interest period and in the same currency as the Securities.

“**Benchmark Event**” means, with respect to an Original Reference Rate:

(i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

(ii) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used either generally or in respect of the Securities, or that its use will be subject to restrictions or adverse consequences; or

(v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer

representative of its relevant underlying market; or

(vi) it has or will prior to the next Reset Determination Date become unlawful for any Paying and Conversion Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Securityholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable), provided that the Benchmark Event shall be deemed to occur in the case of paragraphs (ii) and (iii) above, on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate, in the case of paragraph (iv) above, on the date of prohibition of use of the Original Reference Rate and, in the case of paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense.

“Original Reference Rate” means the screen rate originally specified for the purpose of determining the Reset Rate of Interest (or any relevant component part(s) thereof) on the

Securities (provided that if, following one or more Benchmark Events, such originally specified Reset Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate (as applicable), the term “Original Reference Rate” shall be deemed to include any such Successor Rate or Alternative Rate, as the case may be).

“Relevant Nominating Body”
means:

- (i) the central bank for the currency to which the screen rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the screen rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

Prudential Regulatory Authority (“PRA”)

In paragraph 2.22 of the PRA’s Policy Statement dated March 2020 (PS5/20: Regulatory capital instruments: Update to Pre-Issuance Notification (PIN) requirements)⁵ (the “**Policy Statement**”) the PRA accepts that if “targeted amendments” are made to capital instruments “in relation to benchmark rates”, the instruments will

⁵ <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2020/ps520.pdf>

continue to be ‘substantially the same’ for the purposes of the Policy Statement. Sam Woods, the Deputy Governor of PRA, has also reiterated this in his letter dated 18 December 2019 where he has stated that the PRA does not believe it is desirable to reassess the eligibility of the additional tier 1 and tier 2 capital where the amendments are solely to replace the benchmark reference rate.

As the only changes which would be made to the Securities pursuant to the Proposed Amendments are to change the underlying Reset Reference Rate and supporting fall-back provisions for such Reset Reference Rate as described in this Consent Solicitation Memorandum and to make the necessary consequential adjustments, the Issuer considers that the capital eligibility of each Series of Securities will remain unaffected.

The PRA has been informed of these Consent Solicitations and the Issuer is not aware of any objection or concerns being raised by the PRA with respect to this view being taken by the Issuer with respect to the eligibility of the Securities.

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 13 days nor more than 42 days. At any adjourned Meeting, one or more persons present and holding or representing in aggregate not less than 25 per cent. 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 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 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 United Kingdom, (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 United Kingdom, (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 United Kingdom, (v) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the EU or the United Kingdom 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 United Kingdom 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 Securities, 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 Securities 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 Trustee, the Tabulation Agent or the Principal Paying and Conversion Agent. A Consent Instruction which does not include a confirmation as to whether the relevant Securityholder is an Eligible Securityholder or an Ineligible Securityholder 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 Securities 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 Securityholders 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 Securityholders are urged to contact the Tabulation Agent for the relevant announcements during the course of the Consent Solicitations. In addition, Securityholders may contact the Solicitation Agent for information using the contact details on the last page of this Consent Solicitation Memorandum.

SECTION 2 – SECURITYHOLDER PROPOSAL

1 INTRODUCTION

The proposal set out in this Consent Solicitation Memorandum is a proposal by the Issuer to the Securityholders 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 Securityholder Meetings* of this Consent Solicitation Memorandum. For further background on the Security Proposal, please see *Section 1 – “Background”* of this Consent Solicitation Memorandum.

2 SECURITYHOLDER PROPOSAL

The Issuer, under the Securityholder Proposal, is requesting that the Securityholders of each Series consider and if thought fit, approve the relevant Extraordinary Resolution. If approved by the Securityholders of the relevant Series, and the Consent Conditions are satisfied, the Extraordinary Resolution will be binding on all holders of such Series of Securities, including those Securityholders who do not vote in favour of the relevant Extraordinary Resolution or who do not vote in connection with the relevant Extraordinary Resolution.

Each Extraordinary Resolution, if passed, and the Consent Conditions, if satisfied, constitute (amongst others) a direction by the Securityholders of each Series to the Trustee to consent to and to concur in the amendments to the Conditions of the relevant Series and any consequential or related amendments to the transaction documents for the relevant Series in order to change the Reset Reference Rate such that (i) the Reset Reference Rate ceases to be a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) and becomes a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)); (ii) the Reset Reference Rate Adjustment is made to reflect the economic difference between the LIBOR linked mid-swap rate and SONIA linked mid-swap rate; (iii) the Margin applicable to each Series of Securities remains unaltered by these changes; (iv) the fallbacks relating to the Reset Reference Rate are amended; and (v) new fallbacks are included in case a Benchmark Event occurs with respect to the Reset Rate of Interest, as more fully set out in the relevant Supplemental Trust Deed and as may be necessary to give effect thereto, the “**Securityholder Proposal**”.

3 SUBMISSION OF INSTRUCTIONS

Securityholders 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 Securityholders should read carefully the provisions set out in the “*Voting and Quorum*” section of the Notice which accompanies this Consent Solicitation Memorandum (see *Section 3 – “Form of Notice of Securityholder 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 Securityholders of the relevant Series will, provided the Consent Conditions are satisfied, be implemented with effect on and from 21 October 2020 (the “**Effective Date**”) and will be effected by entry by all the required parties into the Supplemental Trust Deed in respect of each Series.

Copies of the latest drafts of each Supplemental Trust Deed and any other ancillary documents or notices being provided pursuant to the Securities Proposal will be available for inspection during normal business hours at the specified offices of the Principal Paying and Conversion 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 Supplemental Trust Deed will be available for viewing on the Issuer’s Website. Nothing in the Securityholder Proposal or in any other Section of this Consent Solicitation Memorandum requires the Issuer to implement all or any part of the Securityholder Proposal, even if the Securityholder Proposal is approved by an Extraordinary Resolution of the relevant Series of Securityholders and the Consent Conditions have been satisfied.

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

SECTION 3 – FORM OF NOTICE OF SECURITYHOLDER MEETINGS

NOTICE OF SECURITYHOLDER MEETINGS

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF SECURITYHOLDERS.

If Securityholders 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 SECURITYHOLDERS (AS DEFINED BELOW) ARE ENCOURAGED TO READ THIS ANNOUNCEMENT IN CONJUNCTION WITH THE SAME.



LLOYDS BANKING GROUP PLC

(incorporated with limited liability in Scotland registered number 95000)
(the “Issuer”)

NOTICE OF SEPARATE SECURITYHOLDER MEETINGS

to the holders of the

£1,494,392,000 7.625 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2023 (ISIN: XS1043552188)
(the “PNC9 Securities”)

£750,009,000 7.875 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2029 (ISIN: XS1043552261)
(the “PNC15 Securities”)

(each a “Series” and together the “Securities”, and the holders thereof, the “Securityholders”) of the Issuer presently outstanding.

NOTICE IS HEREBY GIVEN that separate meetings (each a “Meeting” and together, the “Meetings”) of the Securityholders of each Series convened by the Issuer will be held via teleconference on 21 October 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 relevant Trust Deed each dated 1 April 2014, as amended, restated, modified and/or supplemented from time to time (each, the “Trust Deed” and together, the “Trust Deeds”) each made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the “Trustee”) as trustee for the Securityholders and constituting the Securities.

The initial Meeting in respect of the:

- (i) PNC9 Securities (the “**PNC9 Securities Meeting**”) will commence at 10 a.m. (London time) (11 a.m. CET); and
- (ii) PNC15 Securities (the “**PNC15 Securities Meeting**”) will commence at 10.15 a.m. (London time) (11.15 a.m. CET) or after the completion of the PNC9 Securities 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 29 September 2020 (the “**Consent Solicitation Memorandum**”), which is available for inspection by Eligible Securityholders (as defined below) during normal business hours at the specified offices of the Principal Paying and Conversion 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 Meeting (see “**Documents Available for Inspection**” below). In accordance with normal practice, the Trustee, the Tabulation Agent and the Principal Paying and Conversion Agent have not been involved in the formulation of the Securityholder Proposals outlined in this Consent Solicitation Memorandum or the Extraordinary Resolution. The Trustee, the Tabulation Agent, the Solicitation Agent and the Principal Paying and Conversion Agent, express no opinion on, and make no representations as to the merits of, the Securityholder 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 Trustee, the Tabulation Agent, the Solicitation Agent or the Principal Paying and Conversion Agent makes any representation that all relevant information has been disclosed to Securityholders in or pursuant to this Notice, the Consent Solicitation Memorandum or otherwise. None of the Trustee, the Tabulation Agent, the Solicitation Agent or the Principal Paying and Conversion Agent has approved the draft amended Documents referred to in the relevant Extraordinary Resolution set out below and the Trustee recommends that Securityholders arrange to inspect and review such draft amended Documents as provided below in this Notice. Accordingly, Securityholders of the relevant Series should take their own independent legal, financial, tax 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 Trustee, the Tabulation Agent, the Solicitation Agent or the Principal Paying and Conversion Agent 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 after the end of 2021 and expects that some panel banks will cease contributing to LIBOR panels at such time. In addition, the Bank of England and the FCA announced that they have mandated a working group to promote a broad-based transition to the Sterling Overnight Index Average (“**SONIA**”) across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Therefore, 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 SONIA and other risk-free rates ahead of this deadline.

On the basis that the First Reset Date of each Series falls after 2021, the Issuer has convened the Meetings for the purpose of enabling the relevant Securityholders to consider and resolve, if they think fit, to approve the relevant Security Proposal (as further described below) by way of an Extraordinary Resolution in relation to the relevant Series implementing a change in the Reset Reference Rate such that (i) the Reset Reference Rate ceases to be a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) and becomes a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)); (ii) the Reset Reference Rate Adjustment is made to reflect the economic difference between the LIBOR and SONIA rates; (iii) the Margin applicable to each Series of Securities remains unaltered by these changes; (iv) the fallbacks relating to the Reset Reference Rate are amended; and (v) new fallbacks are included in case a Benchmark Event occurs with respect to the Reset Rate of Interest.

The pricing methodology proposed for the adjustment to the Reset Reference Rate on conversion of the Reset Reference Rate from a LIBOR linked mid-swap rate to a SONIA linked mid-swap rate uses only market observable screen spot rates. The determination of the relevant market observable screen spot rates will take place at or around 2 p.m. (London time) (the “**Pricing Time**”) on 21 October 2020 (the “**Pricing Date**”, except where there is an adjournment of the Meeting, in which case the Pricing Date will be specified in the notice of the adjourned Meeting). If there is an adjourned Meeting, the adjustment to the Reset Reference Rate may be different to the amounts which would have been calculated if the relevant Extraordinary Resolution had been passed (and the Eligibility Condition satisfied) at the initial Meeting.

The date from which the proposed change in Reset Reference Rate is to occur will be the Effective Date (which is expected to be 21 October 2020).

Prudential Regulatory Authority (“PRA”)

In paragraph 2.22 of the PRA’s Policy Statement dated March 2020 (PS5/20: Regulatory capital instruments: Update to Pre-Issuance Notification (PIN) requirements)⁶ (the “**Policy Statement**”) the PRA accepts that if “targeted amendments” are made to capital instruments “in relation to benchmark rates”, the instruments will continue to be ‘substantially the same’ for the purposes of the Policy Statement. Sam Woods, the Deputy Governor of PRA, has also reiterated this in his letter dated 18 December 2019 where he has stated that the PRA does not believe it is desirable to reassess the eligibility of the additional tier 1 and tier 2 capital where the amendments are solely to replace the benchmark reference rate.

As the only changes which would be made to the Securities pursuant to the Proposed Amendments are to change the underlying Reset Reference Rate and supporting fall-back provisions for such Reset Reference Rate as described in this Consent Solicitation Memorandum and to make the necessary consequential adjustments, the Issuer considers that capital eligibility of each Series of Securities will remain unaffected.

The PRA has been informed of these Consent Solicitations and the Issuer is not aware of any objection being raised by the PRA with respect to this view being taken by the Issuer with respect to the eligibility of the Securities.

⁶ <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2020/ps520.pdf>

SECURITYHOLDER PROPOSAL

Pursuant to the above, the Issuer has convened separate Meetings by the above notice to request that Securityholders 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 Securityholder Proposal, is requesting that the Securityholders of the relevant Series consider and if thought fit, approve the relevant Extraordinary Resolution. If approved by the Securityholders of the relevant Series, the Extraordinary Resolution will be binding on all holders of such Series of Securities, including those Securityholders 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 Reset Reference Rate from a LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) to a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)) certain adjustments will be made to the Reset Reference Rate payable in respect of the Securities to the extent that either Series of Securities remains outstanding beyond the First Reset Date. The Conditions will be amended by incorporating an adjustment (the “**Reset Reference Rate Adjustment**”) which will be added to the Reset Reference Rate when calculating the relevant Reset Rate of Interest in order to reflect the difference in LIBOR linked mid-swap rate and SONIA linked mid-swap rate.

The Reset Reference Rate Adjustment for the Securities to be determined on the Pricing Date and effective on the Effective Date will be equal to the LIBOR vs SONIA IRS Basis.

The LIBOR vs SONIA IRS Basis is a 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. The detailed provisions relating to the calculation of the Reset Reference Rate Adjustment are set out in Annex B to this Notice.

The Securityholder Proposal is being put to Securityholders for the reasons set out in the Consent Solicitation Memorandum.

Securityholders are referred to the Consent Solicitation Memorandum which provides further background to the Security Proposals and the reasons therefor.

CONSENT SOLICITATION

Securityholders are further given notice that the Issuer has invited holders of the Securities 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 are 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 Securities 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 Securityholders**”).

Subject to the restrictions described in the previous paragraph, Securityholders 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 Securityholder will be required to provide confirmation as to his or her status as an Eligible Securityholder.

**EXTRAORDINARY RESOLUTION
IN RESPECT OF THE £1,494,392,000 7.625 PER CENT. FIXED RATE RESET
ADDITIONAL TIER 1 PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE
SECURITIES CALLABLE 2023**

“THAT this Meeting of the holders (together, the “**PNC9 Securityholders**”) of the presently outstanding £1,494,392,000 7.625 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2023 (the “**PCN9 Securities**”) of Lloyds Banking Group plc (the “**Issuer**”), constituted by the trust deed dated 1 April 2014 as amended, restated, modified and/or supplemented from time to time (the “**Trust Deed**”) made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”) as trustee for, *inter alios*, the PNC9 Securityholders:

1. (subject to paragraph 9 of this Extraordinary Resolution) assents to the modification of the Trust Deed and of the terms and conditions of the PNC9 Securities (the “**Conditions**”) as set out in Schedule 2 to the Trust Deed 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:
 - a. the Reset Rate of Interest for the PCN9 Securities applicable from, and including the First Reset Date will be the sum of the relevant Adjusted Reset Reference Rate plus the Margin to be calculated more fully as set out in Annex A to this Notice;
 - b. the fallbacks relating to the Reset Reference Rate are amended; and
 - c. new fallbacks are included in case a Benchmark Event occurs with respect to the Reset Rate of Interest,all as more fully set out in Annex A to this Notice.
2. (subject to paragraph 9 of this Extraordinary Resolution) authorises, directs, requests and empowers:
 - (a) the Issuer and the Trustee to execute a deed supplemental to the Trust Deed applicable to the PNC9 Securities (the “**Supplemental Trust Deed**”) to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the draft produced to this Meeting and for the purpose of identification signed by the chairman thereof, with such amendments thereto (if any) as the Trustee shall require or agree to; and
 - (b) the Issuer and the 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 the Trustee from all liability for which they may have become or may become responsible under the Trust Deed or the PNC9 Securities 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 Supplemental Trust Deed, the Notice or this Extraordinary Resolution;

4. irrevocably waives any claim that the PNC9 Securityholders may have against the Trustee arising as a result of any loss or damage which we may suffer or incur as a result of the 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 PNC9 Securityholders further confirm that the PNC9 Securityholders will not seek to hold the Trustee liable for any such loss or damage;
5. expressly agrees and undertakes to indemnify and hold harmless the 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 Trustee and against all losses, costs, charges or expenses (including legal fees) which the Trustee may suffer or incur which in any case arise as a result of the 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 PNC9 Securityholders appertaining to the PNC9 Securities 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 Supplemental Trust Deed, this Extraordinary Resolution and the Security Proposal;
8. discharges and exonerates the Issuer from all liability for which it may have become or may become responsible under the Trust Deed, the PNC9 Securities 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 Supplemental Trust Deed, 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 PNC9 Securityholders, irrespective of any participation at this Meeting by Ineligible PNC9 Securityholders 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 and the Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting for such period being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the chairman of this Meeting and approved by the 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 Securities or being proxies or representatives and holding or representing in aggregate not less than 25 per cent. of the aggregate principal amount outstanding of the PNC9 Securities 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 PNC9

Securityholders irrespective of any participation at the adjourned Meeting by Ineligible PNC9 Securityholders;

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 PNC9 Securityholders to consent to the modification of the Conditions relating to the PNC9 Securities 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 29 September 2020 prepared by the Issuer in relation to the Consent Solicitation;

“**Eligible PNC9 Securityholder**” or “**Eligible Securityholder**” means each PNC9 Securityholder 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 PNC9 Securities and (c) otherwise a person to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation;

“**Ineligible PNC9 Securityholder**” or “**Ineligible Securityholder**” means each PNC9 Securityholder who is not a person to whom the Consent Solicitation is being made, on the basis that such PNC9 Securityholder 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 29 September 2020 (a copy of which is available for inspection as referred to in the Notice).”

**EXTRAORDINARY RESOLUTION
IN RESPECT OF THE £750,009,000 7.875 PER CENT. FIXED RATE RESET ADDITIONAL
TIER 1 PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE SECURITIES
CALLABLE 2029**

“THAT this Meeting of the holders (together, the “**PNC15 Securityholders**”) of the presently outstanding £750,009,000 7.875 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2029 (the “**PCN15 Securities**”) of Lloyds Banking Group plc (the “**Issuer**”), constituted by the trust deed dated 1 April 2014 as amended, restated, modified and/or supplemented from time to time (the “**Trust Deed**”) made between the Issuer and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”) as trustee for, *inter alios*, the PNC15 Securityholders:

1. (subject to paragraph 9 of this Extraordinary Resolution) assents to the modification of the Trust Deed and of the terms and conditions of the PNC15 Securities (the “**Conditions**”) as set out in Schedule 2 to the Trust Deed 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:
 - a. the Reset Rate of Interest for the PCN15 Securities applicable from, and including the First Reset Date will be the sum of the relevant Adjusted Reset Reference Rate plus the Margin to be calculated more fully as set out in Annex A to this Notice;
 - b. the fallbacks relating to the Reset Reference Rate are amended; and
 - c. new fallbacks are included in case a Benchmark Event occurs with respect to the Reset Rate of Interest,all as more fully set out in Annex A to this Notice.
2. (subject to paragraph 9 of this Extraordinary Resolution) authorises, directs, requests and empowers:
 - (a) the Issuer and the Trustee to execute a deed supplemental to the Trust Deed applicable to the PNC15 Securities (the “**Supplemental Trust Deed**”) to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the draft produced to this Meeting and for the purpose of identification signed by the chairman thereof, with such amendments thereto (if any) as the Trustee shall require or agree to; and
 - (b) the Issuer and the 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 the Trustee from all liability for which they may have become or may become responsible under the Trust Deed or the PNC15 Securities 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 Supplemental Trust Deed, the Notice or this Extraordinary Resolution;

4. irrevocably waives any claim that the PNC15 Securityholders may have against the Trustee arising as a result of any loss or damage which we may suffer or incur as a result of the 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 PNC15 Securityholders further confirm that the PNC15 Securityholders will not seek to hold the Trustee liable for any such loss or damage;
5. expressly agrees and undertakes to indemnify and hold harmless the 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 Trustee and against all losses, costs, charges or expenses (including legal fees) which the Trustee may suffer or incur which in any case arise as a result of the 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 PNC15 Securityholders appertaining to the PNC15 Securities 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 Supplemental Trust Deed, this Extraordinary Resolution and the Security Proposal;
8. discharges and exonerates the Issuer from all liability for which it may have become or may become responsible under the Trust Deed, the PNC15 Securities 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 Supplemental Trust Deed, 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 PNC15 Securityholders, irrespective of any participation at this Meeting by Ineligible PNC15 Securityholders 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 and the Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting for such period being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the chairman of this Meeting and approved by the 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 Securities or being proxies or representatives and holding or representing in aggregate not less than 25 per cent. of the aggregate principal amount outstanding of the PNC15 Securities 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 PNC15 Securityholders irrespective of any participation at the adjourned Meeting by Ineligible PNC15 Securityholders;

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 PNC15 Securityholders to consent to the modification of the Conditions relating to the PNC15 Securities 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 29 September 2020 prepared by the Issuer in relation to the Consent Solicitation;

“**Eligible PNC15 Securityholder**” or “**Eligible Securityholder**” means each PNC15 Securityholder 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 PNC15 Securities and (c) otherwise a person to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation;

“**Ineligible PNC15 Securityholder**” or “**Ineligible Securityholder**” means each PNC15 Securityholder who is not a person to whom the Consent Solicitation is being made, on the basis that such PNC15 Securityholder 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 29 September 2020 (a copy of which is available for inspection as referred to in the Notice).”

INELIGIBLE SECURITYHOLDERS

Submission of Ineligible Holder Instructions

In respect of any Securities 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 Securities 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 Securities are held and whether the Ineligible Securityholder wishes to instruct the Principal Paying and Conversion Agent to appoint one or more representatives of the Tabulation Agent to attend 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 Securities in the relevant Ineligible Securityholder’s account with Euroclear or Clearstream, Luxembourg, as applicable, so that no transfers may be effected in relation to the such Securities 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 Direct Participants (as defined under “*Voting and Quorum*” below) may submit Ineligible Holder Instructions. Each beneficial owner of Securities who is an Ineligible Securityholder and is not a Direct Participant, must arrange for the Direct Participant through which such beneficial owner of Securities who is an Ineligible Securityholder holds its Securities 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 Securityholder 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 Securityholder is unable to make any such acknowledgement or give any such representation or warranty, such Securityholder or Direct Participant should contact the Tabulation Agent immediately):

- (a) It is an Ineligible Securityholder.

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 Trustee, the Principal Paying and Conversion 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 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 Securityholder 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, and (ii) conclusion of the relevant Meeting or (if applicable) any relevant adjourned Meeting, as the case may be, the Securities the subject of the Ineligible Holder Instruction, in the relevant Clearing System and, if it holds its Securities 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 Securities with effect on and from the date thereof so that no transfers of such Securities 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 Trustee, the Solicitation Agent, the Tabulation Agent and/or the Principal Paying and Conversion Agent 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 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 Securityholder 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 Securityholder voting on the relevant Extraordinary Resolution and shall not be affected by, and shall survive, the death or incapacity of the Securityholder voting on the relevant Extraordinary Resolution, as the case may be.
- (j) The Securities 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 Securityholder 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, Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors or employees, with regard to the tax consequences for Securityholders 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 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 Securityholder is unable to give any of the representations and warranties described above, such Ineligible Securityholder should contact the Tabulation Agent.

Each Ineligible Securityholder submitting an Ineligible Holder Instruction in accordance with its terms shall be deemed to have agreed to indemnify the Issuer, the Solicitation Agent, the Tabulation Agent, the Principal Paying and Conversion Agent, the 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 Securityholder.

REQUIREMENTS OF U.S. SECURITIES LAWS

If an Extraordinary Resolution is passed and implemented in respect of any Series, the Supplemental Trust Deed relating to the relevant Series will contain a statement that, until the expiry of the period of 40 days after the date of the Supplemental Trust Deed, sales of the relevant Securities 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.

*Securityholders who have submitted and not revoked a valid Consent Instruction or Ineligible Holder Instruction in respect of the relevant Extraordinary Resolution by 10 a.m. (London time) (11 a.m. (CET)) on 19 October 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 and Conversion 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 Securityholders is particularly drawn to the quorum required for the Securityholders Meetings and for any adjourned Meeting which is set out in paragraphs 1, 2, 3, 4 and 5 of “*Voting and Quorum*” below. Having regard to such requirements, Securityholders are strongly urged either to attend 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 3 (*Provisions for Meetings of Holders*) to the relevant Trust Deed, a copy of which is available for inspection by the Securityholders during normal business hours at the specified offices of the Principal Paying and Conversion 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 Securities are represented by a global Security and are held by a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). For the purpose of the Meetings, a “**Securityholder**” 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 Securities.

A Securityholder wishing to attend the relevant Meeting in person must produce at the Meeting a valid form of proxy issued by the Principal Paying and Conversion Agent relating to the Securities in respect of which it wishes to vote.

Any Securityholder who wishes to vote in respect of the relevant Extraordinary Resolution but does not wish to attend the relevant Meeting in person should: (i) in the case of a beneficial owner whose Securities 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 Securityholder whose Securities 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.

Securityholders should note that the timings and procedures set out below reflect the requirements for Securityholders’ Meetings set out in the relevant 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, Securityholders 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 Securities are held in book-entry form by a custodian) or the relevant

Clearing System (in the case of a Securityholder whose Securities 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 special quorum resolution shall (subject as provided below) be one or more persons present holding or representing Securities or being proxies or representatives and holding or representing in aggregate not less than 75 per cent. of the aggregate principal amount outstanding of the relevant Series of Securities for the time being outstanding. If a quorum is not present within 15 minutes after the time fixed for a Meeting, the relevant Meeting will be adjourned for such period being not less than 13 days nor more than 42 days, and shall be held via teleconference at such time as may be appointed by the chairman of the Meeting and approved by the 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 will adjourn the relevant Meeting for such period being not less than 13 days nor more than 42 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 Trustee. The Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to the Securityholders of the relevant Series of Securities). At any adjourned Meeting, one or more persons present holding Securities or being proxies or representatives and holding or representing in aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Securities 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 Securityholders holding not less than 75 per cent. in principal amount outstanding of the relevant Series of Securities, 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 Securityholders. 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 Trustee or by any person present holding a Security or being a proxy or representative and representing or holding in the aggregate not less than 2 per cent. of the principal amount outstanding of the relevant Series of Securities 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. 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 Securityholders, irrespective of any participation at the relevant Meeting by Ineligible Securityholders (including the satisfaction of such condition at an adjourned Meeting) (the “**Eligibility Condition**”),(together, the “**Consent Conditions**”).
5. If passed, the Extraordinary Resolution passed at the Meeting will be binding upon all the Securityholders of the relevant Series whether or not present or voting at the Meeting.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of items (a) to (b) below (together, the “**Securityholder Information**”) will be available from the date of this Notice, for inspection during normal business hours at the specified offices of the Principal Paying and Conversion 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 Supplemental Trust Deed as referred to in the relevant Extraordinary Resolution set out above (the “**Supplemental Trust Deeds**”); and
- (c) such other ancillary documents as may be approved by the Trustee and/or such other relevant party as are necessary or desirable to give effect to the Securityholder Proposal in full.

This Notice should be read in conjunction with the Securityholder Information.

The Securityholder Information may be supplemented from time to time. Existing Securityholders should note that each Supplemental Trust Deed 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 Supplemental Trust Deeds) and clean versions will be available for inspection, at the specified office of the Principal Paying and Conversion Agent and on the Issuer’s Website.

Existing Securityholders will be informed of any such amendments to the Supplemental Trust Deeds 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 1719 / 1726

Attention: Liability Management Group

Email: liability.management@lloydsbanking.com

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

Trustee

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

Fax: +44 (0)207 964 4637

Email: 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 and Conversion Agent

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

Telephone: +44 1202 689 984

Email: corpsov4@bnymellon.com

Attention: Corporate Trust Administration
(Structured Finance)

Securityholders whose Securities are held by Euroclear or Clearstream, Luxembourg should contact the Tabulation Agent at the address details above for further information on the process for voting 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 Securityholders and an announcement released on the regulatory news service of the London Stock Exchange.

This Notice is given by:
LLOYDS BANKING GROUP PLC
Dated 29 September 2020

ANNEX A

Amendments to the Relevant Conditions and Trust Deed of the Securities

(A) Condition 5(d) shall be deleted and replaced with the following:

5(d) Reset Interest Rate

The Interest Rate will be reset (the “**Reset Rate of Interest**”) in accordance with this Condition 5 on each Reset Date. The Reset Rate of Interest in respect of each Reset Period will be determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Adjusted Reset Reference Rate plus the Margin, converted to a quarterly rate in accordance with market convention (rounded to three decimal places, with 0.0005 rounded down).

(B) Following provision shall be included in the Conditions as new Condition 5(i):

(i) Benchmark discontinuation

- A. Notwithstanding the provisions above in Condition 5(d), if a Benchmark Event occurs in relation to an Original Reference Rate when any required Reset Rate of Interest (or any component part thereof), remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 5(i)(A) shall apply.

(i) Independent Adviser

The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(i)(A)(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 5(i)(A)(iii)) and any Benchmark Amendments (in accordance with Condition 5(i)(A)(iv)).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser, determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the AT1 Securities (subject to the further operation of this Condition 5(i)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the AT1 Securities (subject to the further operation of this Condition 5(i)).

(iii) Adjustment Spread

The applicable Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a Reset Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(i)(A) and the Issuer, following consultation with the Independent Adviser, determines (A) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(i)(B), without any requirement for the consent or approval of AT1 Securityholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5(i)(B), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the AT1 Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(i)(A)(iv), the Issuer shall comply with the rules of any stock exchange on which the AT1 Securities are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 5(i)(A), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other amendment to the terms and conditions of the AT1 Securities be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the AT1 Securities as Tier 1 Capital.

- B. Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying and Conversion Agents, the Transfer Agents and, in accordance with Condition 17, the AT1 Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer where a Benchmark Event in relation to an Original Reference Rate has occurred in accordance with Condition 5(i)(A) above:

- (I) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(i);
- (II) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread; and

- (III) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so.

The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination thereof and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying and Conversion Agents, the Transfer Agents and the AT1 Securityholders.

- C. Without prejudice to the obligations of the Issuer under Condition 5(i)(A), the Original Reference Rate and the fallback provisions provided for in Condition 5(d), will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be) and the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 5(i)(A) and Condition 5(i)(B).

An Independent Adviser appointed pursuant to this Condition 5(i) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Trustee, the Calculation Agent, the Paying and Conversion Agents, the Transfer Agents or the AT1 Securityholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(i).

In making any determination pursuant to this Condition 5(i), the Issuer shall act in good faith and, in the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Trustee, the Calculation Agent, the Paying and Conversion Agents, the Transfer Agents or the AT1 Securityholders for any such determination made by it.

(C) Condition 13(b) shall be amended as follows:

(b) Modification of the Trust Deed:

The Trustee may agree, without the consent of the AT1 Securityholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the AT1 Securityholders. The Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(i) (and subject to receipt of the certificate of the Issuer required pursuant to Condition 5(i)(B)) without the consent of the Securityholders. Any such modification, authorisation or waiver shall be binding on the AT1 Securityholders and, if the Trustee so requires, shall be notified to the AT1 Securityholders as soon as practicable.

(D) Condition 19 shall be amended as follows:

- (i) Following definitions will be added to Condition 19 in appropriate places in alphabetical order:

“**Adjusted Reset Reference Rate**” means the sum, converted to a semi-annual rate in accordance with market convention, of (i) the relevant Reset Reference Rate; and (ii) the Reset Reference Rate Adjustment;

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) if the Issuer determines there is no such spread, formula or methodology customarily applied, the Issuer determines, following consultation with the Independent Adviser is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 5(i)(A)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same currency as the AT1 Securities;

“**Benchmark Amendments**” has the meaning given to it in Condition 5(i)(A)(iv);

“**Benchmark Event**” means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used either generally or in respect of the AT1 Securities, or that its use will be subject to restrictions or adverse consequences; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has or will prior to the next Reset Determination Date become unlawful for any Paying and Conversion Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any AT1 Securityholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable),

provided that the Benchmark Event shall be deemed to occur in the case of paragraphs (ii) and (iii) above, on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate, in the case of paragraph (iv) above, on the date of prohibition of use of the Original

Reference Rate and, in the case of paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

“**Independent Adviser**” means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 5(i)(A)(i);

“**Original Reference Rate**” means the screen rate originally specified for the purpose of determining the Reset Rate of Interest (or any relevant component part(s) thereof) on the AT1 Securities (provided that if, following one or more Benchmark Events, such originally specified Reset Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate (as applicable), the term “Original Reference Rate” shall be deemed to include any such Successor Rate or Alternative Rate, as the case may be);

“**Relevant Nominating Body**” means:

- (i) the central bank for the currency to which the screen rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the screen rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the screen rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

“**Reset Reference Rate Adjustment**” means [●] per cent. (expressed on an annual basis);⁷

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

(ii) Definitions for ‘Margin’, ‘Reset Period’, ‘Reset Reference Rate’, ‘Mid-Swap Quotations’, ‘Reset Reference Bank Rate’ and ‘Screen Page’ will be deleted and replaced with the following definitions in Condition 19 in appropriate places in alphabetical order:

For the purposes of the PNC9 Securities, “**Margin**” means 5.01 per cent. (expressed on a semi-annual basis) and for the purposes of the PNC15 Securities, “**Margin**” means 4.83 per cent. (expressed on a semi-annual basis);

“**Reset Period**” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date (such period, the “**First Reset Period**”), and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“**Reset Reference Rate**” means in respect of the relevant Reset Period, (i) the applicable annual mid-swap rate for swap transactions in pounds sterling (with a maturity equal to 5 years) where the floating leg pays daily compounded SONIA annually and calculated and published by ICE Benchmark Administration Limited on the relevant Reset Determination Date and displayed at 11.15 a.m. (London time) on the relevant Reset Determination Date on such Bloomberg or Reuters page (the “**Screen Page**”) or, as the case may be, on such other information service that may replace Bloomberg or Reuters, in each case, as

⁷ Amount to be determined in accordance with Annex B to the Notice of Securityholder Meetings.

may be nominated by ICE Benchmark Administration Limited; or (ii) if such rate is not displayed on the Screen Page at such time and date (other than in the circumstances provided for in Condition 5(i)), the relevant Reset Reference Bank Rate, where:

“**Mid-Swap Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in pounds sterling which (i) has a term commencing on the relevant Reset Date which is equal to 5 years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 5(i)) the overnight SONIA rate compounded for 12-months (calculated on an Actual/365 day count basis); and

“**Reset Reference Bank Rate**” means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. (London time) on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the First Reset Period, the relevant Reset Reference Rate but calculated as at the last available date preceding the relevant Reset Determination Date on which such a rate was published; or (ii) in the case of the First Reset Period, an amount equal to 2.042 per cent⁸.

(D) Clause 14.1 (Modification) of the relevant Trust Deed shall be deleted and replaced with the following:

14.1 Modification: Subject to the Issuer giving such notice to, and receiving such permission from, the Relevant Regulator as may from time to time be required by the Relevant Regulator under the Applicable Regulations, the Trustee may from time to time and at any time without the consent of the Holders concur with the Issuer in:

14.1.1 making any modification to the Conditions, this Trust Deed or the Agency Agreement which in its opinion is not materially prejudicial to the interests of the Holders; or

14.1.2 making any modification to the Conditions, this Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error,

but such power in Clause 14.1.1 does not extend to any such modification which require the passing of a special quorum resolution under paragraph 3 of Schedule 3. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any amendments to the Conditions, this Trust Deed or the Agency Agreement in the circumstances and as otherwise set out in Condition 5(i) (and subject to receipt of the certificate of the Issuer required pursuant to Condition 5(i)(B)) without the requirement for consent of the Holders.

⁸ Amount determined by reference to the intra-day high for the 5 year mid-swap rate cited as on 20 March 2014, being the pricing date for the Securities at the time of their issuance (Source: Bloomberg).

ANNEX B

Pricing Methodology

Rationale for the Proposal

Due to the differences in the nature of LIBOR and SONIA, the replacement of the LIBOR linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays 6 month GBP LIBOR semi-annually)) as the Reset Reference Rate for the Securities with a SONIA linked mid-swap rate (specifically being the mid-rate for a 5 year Sterling fixed-for-floating interest rate swap (where the floating leg pays daily compounded SONIA annually)) will require certain adjustments to the Reset Reference Rate payable in respect of the Securities to the extent that either Series of Securities remains outstanding beyond the First Reset Date. The Conditions will be amended by incorporating an adjustment (the “**Reset Reference Rate Adjustment**”) which will be added to the Reset Reference Rate when calculating the relevant Reset Rate of Interest in order to reflect the difference between LIBOR linked mid-swap rates and SONIA linked mid-swap rates.

The pricing methodology proposed for the adjustment to the Reset Reference Rate on conversion of the Reset Reference Rate from a LIBOR linked mid-swap rate to a SONIA linked mid-swap rate uses only market observable screen spot rates.

The date from which the proposed change in reference rate is to occur will be the Effective Date (which is expected to be 21 October 2020)

The determination of the relevant market observable screen spot rates will take place at or around 2 p.m. (London time) (the “**Pricing Time**”) on 21 October 2020 (the “**Pricing Date**”, except where there is an adjournment of the Meeting, in which case the Pricing Date will be specified in the notice of the adjourned Meeting). If there is an adjourned Meeting, the adjustment to the Reset Reference Rate may be different to the amounts which would have been calculated if the relevant Extraordinary Resolution had been passed (and the Eligibility Condition satisfied) at the initial Meeting.

Determination of the Reset Reference Rate Adjustment

The Reset Reference Rate Adjustment for the Securities to be determined on the Pricing Date and effective on the Effective Date will be equal to the LIBOR vs SONIA IRS Basis.

The LIBOR vs SONIA IRS Basis is a 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, as follows:

On the Pricing Date, at or around the Pricing Time, the Solicitation Agent will determine:

- a) the 5 Year SONIA annual mid-swap rate (being the mid-rate for 5 year Sterling fixed-for-floating interest rate swap transactions (where the floating leg pays daily compounded SONIA annually) as quoted on Bloomberg page ICAB9); and
- b) the 5 Year LIBOR semi-annual mid-swap rate (being the mid-rate for 5 year Sterling fixed-for-floating interest rate swap transactions (where the floating leg pays 6 month GBP LIBOR semi-annually) as quoted on Bloomberg page ICAB9), converted to an annual rate in accordance with market convention (rounded to three decimal places, with 0.0005 rounded down)

Thereafter the Solicitation Agent will calculate the LIBOR vs SONIA IRS Basis by subtracting (a) from (b)

To the extent that either (a) or (b) is not available on the relevant page on Bloomberg as set out above, both (a) and (b) shall be as quoted on such other page as may replace it on Bloomberg, or on such similar or replacement service as may be determined by the Solicitation Agent in its sole discretion.

The Reset Reference Rate Adjustment will be announced to Securityholders as soon as practicable following the Pricing Time on the Pricing Date.

SECTION 4 – PROCEDURES IN CONNECTION WITH THE CONSENT SOLICITATIONS

(1) Procedures for participating in the Consent Solicitations

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

Securityholders are advised to check with any Clearing System, bank, securities broker or other intermediary through which they hold Securities when such Clearing System or intermediary would need to receive instructions from a Securityholder in order for that Securityholder 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 forms of proxy or otherwise making arrangements for the giving of Consent Instructions or Ineligible Holder Instructions, in each case through the Clearing Systems, Securityholders should note the particular practice and policy of the relevant Clearing System, including any earlier deadlines set by such Clearing System.

(2) Revocability of Consent Instructions

Any Consent Instruction may be revoked by the relevant Securityholder at any time prior to, but not after, the Expiration Deadline (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Securityholders hold their Securities).

(3) Procedure for voting

The following is a summary of the arrangements which have been made for the purpose of Securityholders 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 relevant Trust Deed relating to the Meetings of Securityholders 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 Trustee from time to time, and as set out herein. Full details of these arrangements are set out in Schedule 3 (*Provisions for Meetings of Holders*) to the relevant Trust Deed. The voting procedures for the Meetings are different depending on whether Securities are held through Euroclear or Clearstream, Luxembourg (as defined below and each a Clearing System). The two procedures are described below.

All of the Securities are represented by a global Security held by a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”).

Any Securityholder who wishes to vote in respect of the relevant Extraordinary Resolution should: (i) in the case of a beneficial owner whose Securities 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 Securityholder whose Securities 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.

Securityholders should note that the timings and procedures set out below reflect the requirements for Securityholders' Meetings set out in Schedule 3 (*Provisions for meetings of Holders*) to the relevant 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, Securityholders 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 Securities are held in book-entry form by a custodian) or the relevant Clearing System (in the case of a Securityholder whose Securities 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 Securities of £200,000 and multiples of £1,000 thereafter.

Blocking of Securities and Restrictions on Transfers

A. For Securities held through Euroclear or Clearstream, Luxembourg:

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

Each person who is the owner of a particular nominal amount of the Securities, 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 Securities for the purposes of the relevant Meeting and will only be entitled to attend and vote at such Meeting in accordance with the procedures set out below.

1. An Accountholder wishing to attend and vote at the relevant Meeting in person should send an electronic instruction to the relevant Clearing System to request a form of proxy from the Principal Paying and Conversion Agent in respect of the Securities in which they have an interest for the purpose of attending and voting at the relevant Meeting in person.
2. If an Accountholder wishes the votes attributable to its Securities to be included in a block voting instruction to be issued by the Principal Paying and Conversion Agent that appoints the Tabulation Agent as a proxy to attend and vote at the relevant Meeting, it must make arrangements for the votes relating to such Securities 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 Securityholder must also confirm whether it is an Eligible Securityholder or an Ineligible Securityholder for the purposes of the Consent Solicitation.
3. An Accountholder whose Securities are held at the relevant Clearing System who wishes to obtain a form of proxy 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 Securities in its own account and hold the same to the order or under the control of the Principal Paying and Conversion Agent in respect of such Securities. As part of such electronic instructions each Securityholder must also confirm whether it is an Eligible Securityholder or an Ineligible Securityholder for the purposes of the Consent Solicitation.

4. An Accountholder whose Securities have been so blocked will thus be able to obtain a form of proxy 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 and Conversion Agent. Securities 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. Securityholders may vote on the proposed relevant Extraordinary Resolution by either requesting a form of proxy in the manner described above which will allow the Securityholder to attend and vote at the relevant Meeting or arranging to deliver a Consent Instruction or Ineligible Holder Instruction through the Clearing Systems to the Tabulation Agent with respect to their Securities.
2. The quorum for each Meeting shall be one or more persons present holding or representing Securities or being proxies or representatives and holding or representing in the aggregate not less than 75 per cent. of the aggregate principal amount outstanding of the relevant Series of Securities for the time being outstanding.
3. If a quorum is not present within 15 minutes from the time fixed for the relevant Meeting, such Meeting will be adjourned for such period being not less than 13 days nor more than 42 days, and shall be held via teleconference at such time as may be appointed by the chairman of the Meeting and approved by the 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 Trustee will adjourn Meeting for such period being not less than 13 days nor more than 42 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 Trustee. At any adjourned Meeting, one or more persons present holding Securities or being proxies or representatives and holding or representing in aggregate not less than 25 per cent. of the aggregate principal amount outstanding of the relevant Series of Securities shall (subject as provided below) form a quorum and shall have the power to pass the relevant Extraordinary Resolution. Securityholders should note that proxies appointed in respect of the Meeting shall remain valid for the relevant adjourned Meeting unless validly revoked.
4. 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 Trustee or by one or more persons present holding Securities or being a proxy or representative and representing or holding in the aggregate not less than 2 per cent. of the principal amount outstanding of the Securities 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.
5. On a show of hands every person who is present in person and who produces a Security or is a proxy or representative shall have one vote.
6. To be passed, each Extraordinary Resolution requires (a) a resolution passed at a Meeting of the Securityholders duly convened and held in accordance with the relevant 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 Securityholders holding not less than 75 per cent. in Principal Amount Outstanding of the relevant Series of Securities, 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 Securityholders.

7. 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 Securityholders of such Series, whether or not they are present at the relevant Meeting and whether or not voting.
8. The implementation of each Extraordinary Resolution is conditional on satisfaction of the Consent Conditions relating to that Extraordinary Resolution.

(4) Acknowledgements, Representations, Warranties and Undertakings

Each Securityholder, 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 acknowledges, represents, warrants and undertakes to the Issuer, Trustee, the Principal Paying and Conversion 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 Securityholder is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Securityholder or Direct Participant 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, Trustee, the Principal Paying and Conversion 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 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 Securityholder 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 Securityholder 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 Securities in the relevant Clearing System, it will be deemed to consent to the relevant Clearing System providing details concerning its identity to the Issuer, Trustee, the Principal Paying and Conversion 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 Securityholder Proposal and instruction to the Principal Paying and Conversion Agent to issue a block voting instruction appointing the Tabulation Agent as proxy to attend, and to cast the votes corresponding to the Securities which are the subject of the Consent Instruction or Ineligible Holder Instruction in favour of the relevant Extraordinary Resolution implementing the Securityholder Proposal at the Meeting in relation to the Securities. 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 and Conversion 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 Securities which are the subject of the Consent Instruction or Ineligible Holder Instruction against the relevant Extraordinary Resolution implementing the Securityholder 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 Tabulation Agent, the Solicitation Agent, the Principal Paying and Conversion Agent, the Trustee or any of their respective directors, officers, employees, agents, representatives or affiliates or any person nominated by the Issuer 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 Trustee, the Principal Paying and Conversion 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 Trustee, the Principal Paying and Conversion Agent, the Tabulation Agent and the Solicitation Agent to be necessary or desirable to effect delivery of the consents related to such Securities 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 Securities the subject of the Consent Instruction or Ineligible Holder Instruction, in the relevant Clearing System and, if it holds its Securities 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 Securities with effect on and from the date thereof so that no transfers of such Securities 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 Trustee, the Solicitation Agent, the Tabulation Agent and/or the Principal Paying and Conversion Agent 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 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 Securityholder 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 Securityholder voting on the relevant Extraordinary Resolution and shall not be affected by, and shall survive, the death or incapacity of the Securityholder 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 Securityholder Proposal.
- (p) It is not a Sanctions Restricted Person.
- (q) It is an Eligible Securityholder (in case of a Consent Instruction) or an Ineligible Securityholder (in case of an Ineligible Holder Instruction).
- (r) No information has been provided to it by the Issuer, the Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors, officers, employees, agents, representatives, affiliates or employees, with regard to the tax consequences for Securityholders 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 Trustee, the Solicitation Agent or the Tabulation Agent, or any of their respective directors, officers, agents, representatives, affiliates or employees, or any other person in respect of such taxes and payments.
- (s) The Securities 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).
- (t) 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.
- (u) 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 Securityholder 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 Securityholder 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 Securities 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 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 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 Securityholder is unable to give any of the representations and warranties described above, such Securityholder should contact the Tabulation Agent.

(5) Additional terms of the Consent Solicitation

- (a) Each Securityholder submitting a Consent Instruction or Ineligible Holder Instruction in accordance with its terms shall be deemed to have agreed to indemnify the Issuer, the Solicitation Agent, the Tabulation Agent, the Principal Paying and Conversion Agent, the 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 Securityholder.
- (b) If any Consent Instructions or Ineligible Holder Instructions or other communication (whether electronic or otherwise) addressed to the Issuer, the Trustee, the Solicitation Agent, the Principal Paying and Conversion Agent or the Tabulation Agent is communicated on behalf of a Securityholder (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 Trustee, the Solicitation Agent, the Principal Paying and Conversion 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 Trustee, the Solicitation Agent, the Principal Paying and Conversion 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.

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

- (a) None of the Issuer, the Solicitation Agent, the Trustee, the Principal Paying and Conversion Agent or the Tabulation Agent will be responsible for the communication of the Consent Instruction or Ineligible Holder Instruction by:

- Beneficial Owners to the Securityholder through which they hold Securities;
 - the Securityholder to the relevant Clearing System and/or the Tabulation Agent, as applicable; or
 - the Clearing Systems.
- (b) If a Beneficial Owner holds its Securities through another Securityholder, such Beneficial Owner should contact that Securityholder 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 a Securityholder through which a Beneficial Owner holds its Securities 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) Securityholders 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 Securities through another Securityholder, such Beneficial Owner should consult with that Securityholder as to whether it will charge any service fees in connection with the participation in the Consent Solicitation.

(7) Withdrawal Rights

- (a) Beneficial Owners who are not also Securityholders are advised to check with the bank, securities broker or any other intermediary through which they hold their Securities 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) Securityholders may revoke Consent Instructions or Ineligible Holder Instructions or otherwise in the limited circumstances set out under the heading *Section 5 – Amendment and Termination*, but only if the revocation is made in accordance with the provisions of the relevant Trust Deed.

(8) Tax Consequences

In view of the number of different jurisdictions where tax laws may apply to a Securityholder, this Consent Solicitation Memorandum does not discuss the tax consequences for Securityholders arising from the Consent Solicitations or the relevant Extraordinary Resolutions and their implementation. Securityholders 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 Securities after they are modified pursuant to the relevant Extraordinary Resolution (which could differ, potentially materially, from the tax consequences of holding the Securities before they are modified). Securityholders are liable for their own taxes and have no recourse to the Issuer, the Solicitation Agent, the 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.

(9) 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 Securities. None of the Issuer, the Solicitation Agent, the Trustee, the Security Trustee, the Principal Paying and Conversion Agent or the Tabulation Agent shall be under any duty to give notice to Securityholders 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.

(10) Participation by the Issuer, Solicitation Agent, the Principal Paying and Conversion Agent and the Tabulation Agent

The Issuer, the Solicitation Agent, the Trustee, the Principal Paying and Conversion Agent and the Tabulation Agent are entitled to have or hold positions in the Securities 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 relevant Trust Deed vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Securities and may or may not, subject to the provisions of the relevant Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of such Securities. The Issuer and the Solicitation Agent are entitled to continue to hold or dispose of, in any manner it may elect, any Securities that it may hold as at the date of this Consent Solicitation Memorandum or, from such date, to acquire further Securities, subject to applicable law and may or may not, subject to the provisions of the relevant Trust Deed, submit or deliver valid Consent Instructions or Ineligible Holder Instructions in respect of such Securities. For the avoidance of doubt, any Securities held by the Issuer, the Issuer's Subsidiaries, 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 Solicitation Agent or the Tabulation Agent should be taken by any holder of Securities or any other person as any recommendation or otherwise by any of the Issuer, the Trustee, the Solicitation Agent, the Tabulation Agent and the Principal Paying and Conversion Agent, as the case may be, as to the merits of participating or not participating in the Consent Solicitation.

(11) All Securityholders of a Series are bound by the relevant Extraordinary Resolution, if implemented

Securityholders 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 Securityholders of the relevant Series, whether or not they chose to participate in the relevant Consent Solicitation or otherwise vote at the relevant Meeting.

(12) Risk Factors

Blocking of Securities 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 Securities 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 Securities and the date upon which the Securityholder 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 Securityholder 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 "Amendment and Termination" below.

Responsibility for complying with the procedures of the Consent Solicitation

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

Sanctions Restricted Persons

A Securityholder who is a Sanctions Restricted Person may not participate in the Consent Solicitation.

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

If the Extraordinary Resolution is passed and implemented, from and including the Effective Date, the Interest Rate for the relevant Securities for the period commencing from but excluding the applicable First Reset Date for the applicable Series will be determined on the basis of SONIA linked mid-swap rate (as set out in Annex A to the Notice). SONIA differs from LIBOR in a number of material respects, including (without limitation) that SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA may behave materially differently as interest reference rates for the Securities. The use of SONIA as a reference rate for Eurobonds is relatively recent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA.

Accordingly, Securityholders should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to sterling LIBOR. 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 of the relevant Series that reference a SONIA rate. Interest on Securities which reference a SONIA rate is only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date.

It may be difficult for investors in Securities which reference such risk free rates to reliably estimate the amount of interest which will be payable on such Securities.

Further, if the Securities become due and payable under Condition 12, the Interest Rate payable shall be determined on the date the Securities 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 Securities.

Regulatory reforms and changes may cause a benchmark to perform differently than it has done in the past or to be discontinued

Benchmarks have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing benchmarks, with further changes anticipated. These reforms and changes may cause a benchmark like SONIA to perform differently than it has done in the past or to be discontinued. Any change in the performance of SONIA or its discontinuation, could have a material adverse effect on the Securities, including possible adverse tax consequences for Securityholders.

Any of the reforms, or the general increase in regulatory scrutiny of benchmarks, could increase the costs and risks of administering or participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuation or unavailability of quotes of certain benchmarks.

Any changes to the administration of, or the methodology used to obtain, a benchmark or the emergence of alternatives to a benchmark as a result of these reforms, may cause the relevant benchmark to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a benchmark or changes to its administration could require changes to the way in which the Reset Rate of Interest is calculated in respect of the Securities. The development of alternatives to a benchmark may result in the Securities performing differently than would otherwise have been the case if such alternatives to such benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, the Securities.

Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the Securities, the return on the Securities and the trading market for securities based on the same benchmark.

In accordance with the relevant Conditions, each series of Securities may be subject to the adjustment of the interest provisions in certain circumstances. The circumstances which could trigger such adjustments are beyond the Issuer's control and the subsequent use of a replacement benchmark may result in changes to the relevant Conditions (which could be extensive) and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Securities if the relevant benchmark remained available in its current form. Although pursuant to the relevant Conditions, spread adjustments may be applied to such replacement benchmark (including with the intention of partially or wholly reducing or eliminating any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), the application of such adjustments to the relevant series of Securities may not achieve this objective. Any such changes may result in the Securities performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. There is no assurance that the characteristics of any replacement benchmark would be similar to the affected benchmark, that any replacement benchmark would produce the economic equivalent of the affected benchmark or would be a suitable replacement for the affected benchmark. The choice of replacement benchmark is uncertain and could result in the replacement benchmark being unavailable or indeterminable. No adjustments or amendments will be applied if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Securities as Tier 1 Capital (as defined in the relevant Conditions). In certain circumstances (including, without limitation, those mentioned in the preceding sentence) the ultimate fallback provisions may result in the effective application of a fixed rate of interest to the relevant series of Securities. Furthermore, if the Issuer determines that it is not able to follow the prescribed steps set out in the relevant Conditions, the relevant fallback provisions may not operate as intended at the relevant time. Any such consequence could have a material adverse effect on the trading markets for such Securities, the liquidity of such Securities and/or the value of and return on any such Securities. The relevant Conditions may require the exercise of discretion by the Issuer or an independent adviser, as the case may be, and the making of potentially subjective judgments (including as to the occurrence or not of any events which may trigger amendments to the Conditions) and/or the amendment of the Conditions without the consent of Securityholders. The interests of the Issuer or the independent adviser, as applicable, in making such determinations or amendments may be adverse to the interests of

the Securityholders. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Securities linked to a benchmark or could have a material adverse effect on the market value or liquidity of, and the amount payable under such Securities. Investors should consider these matters when making their investment decision with respect to such Securities. Investors should also consult their own independent advisers and make their own assessment about the potential risks imposed by the possible cessation or reform of certain reference rates.

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 Securityholder (and, if applicable, any Beneficial Owner of the relevant Securities who holds such Securities through another Securityholder) irrevocably and unconditionally agrees for the benefit of the Issuer, the Solicitation Agent, the Trustee, the Principal Paying and Conversion 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

Securityholders 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

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 Securityholders 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. However, 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 Securities 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.

Any Consent Instruction may be revoked by the relevant Securityholder at any time prior to, but not after, the Expiration Deadline (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Securityholders hold their Securities).

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 Securities, 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 Securities.

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

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 Securityholders 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 Securityholder.

General

The Solicitation Agent and the Tabulation Agent, and their respective affiliates, may contact Securityholders 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 Securities.

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 Securities 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 Trustee, the Solicitation Agent, the Tabulation Agent or any director, officer, employee, agent or affiliate of any such person is acting for any Securityholder, or will be responsible to any Securityholder 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 Securityholders 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 relevant Trust Deed. In addition, the following terms shall have the following meanings:

“Beneficial Owner”	Means a person who is the owner of a particular principal amount of the Securities and who holds such Securities either as shown in the records of the relevant Clearing System or in the records of any Securityholder or in the records of any broker, dealer, commercial bank, trust company or other nominee or custodian who holds Securities on such person’s behalf and whose holding is shown in the records of a Securityholder, as applicable.
“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 2 to the relevant Trust Deed, as any of the same may from time to time have been modified in accordance with the relevant 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 Securityholders to vote in favour of the Extraordinary Resolution in respect of the relevant Series approving the Securityholder Proposal.
“Consent Solicitation”	Means in respect of each Series the solicitation of consents from the Securityholders to the Securityholder Proposal, which is described in this Consent Solicitation Memorandum.
“Direct Participant”	Each person who is shown in the records of the Clearing Systems as a holder of the Securities.
“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 Securityholders irrespective of any participation at the relevant Meeting by Ineligible Securityholders (including the satisfaction of such condition at an adjourned Meeting as described in “ <i>Consent Solicitations – Meetings</i> ”).
“Eligible Securityholder”	Each Securityholder 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 Securities 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 Securityholder Proposal in respect of the relevant Series of Securities to be proposed and considered at the relevant Meeting.

“Ineligible Securityholder”

A Securityholder 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 Securities and/or (iii) a person to whom the Consent Solicitation cannot otherwise be lawfully made.

“Meeting”

In respect of each Series, the meeting of Securityholders of the relevant Series convened by the Notice, to be held via teleconference on 21 October 2020 at the time specified in the Notice, and to consider and, if thought fit, pass the relevant Extraordinary Resolution. See *“Form of Notice of Securityholder Meetings”*. 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 Securityholders of the relevant Series set out in Schedule 3 to the relevant 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.

“Notice”

The notice dated 29 September 2020 convening the Meeting, as set out in *“Form of Notice of Securityholder Meetings”*.

“PNC9 Securities”

£1,494,392,000 7.625 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2023 (ISIN: XS1043552188) of the Issuer.

“PNC15 Securities”

£750,009,000 7.875 per cent. Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities Callable 2029 (ISIN: XS1043552261) of the Issuer.

“Principal Paying and Conversion Agent”

Means The Bank of New York Mellon, acting through its London branch.

“Proposed Amendments”

Has the meaning given on page 4.

“Registrar”

Means The Bank of New York Mellon (Luxembourg) S.A.

“Regulation S”

Means Regulation S under the Securities Act.

“Sanctions Authority”

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.

“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.
“Securities Act”	The United States Securities Act of 1933, as amended.
“Securities”	The PNC9 Securities and PNC15 Securities.
“Securityholder 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.
“Series”	Each of the PNC9 and PNC15 Securities.
“Solicitation Agent”	Lloyds Bank Corporate Markets plc.
“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.
“Tabulation Agent”	Means Lucid Issuer Services Limited.
“Transaction Documents”	Means each Trust Deed.
“Trustee”	Means BNY Mellon Corporate Trustee Services Limited.
“Trust Deed”	In respect of each Series, the trust deed dated 1 April 2014 between the Issuer and the Trustee.

ISSUER

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