

EXECUTION VERSION

ELEVENTH SUPPLEMENTAL TRUST DEED

16 JULY 2019

BRITISH TELECOMMUNICATIONS public limited company

and

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

further modifying and restating the provisions of the Trust Deed dated 12 December 1997 relating to the €20,000,000,000 (originally U.S.\$10,000,000,000) Euro Medium Term Note Programme

THIS ELEVENTH SUPPLEMENTAL TRUST DEED is made on 16 July 2019

BETWEEN:

- (1) **BRITISH TELECOMMUNICATIONS public limited company**, a company incorporated under the laws of England, whose registered office is at 81 Newgate Street, London EC1A 7AJ, England (hereinafter called the **Issuer**) of the one part; and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated under the laws of England, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (hereinafter called the **Trustee** which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) of the other part.

WHEREAS:

- (A) This Eleventh Supplemental Trust Deed is supplemental to:
 - (i) the Trust Deed dated 12 December 1997 (the **Principal Trust Deed**) made between the Issuer and the Trustee in respect of the US\$10,000,000,000 (now €20,000,000,000) Euro Medium Term Note Programme established by the Issuer (the **Programme**);
 - (ii) the First Supplemental Trust Deed dated 2 July 1999 (the **First Supplemental Trust Deed**) made between the Issuer and the Trustee modifying and restating the provisions of the Principal Trust Deed;
 - (iii) the Second Supplemental Trust Deed dated 28 September 2006 (the **Second Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
 - (iv) the Third Supplemental Trust Deed dated 3 June 2008 (the **Third Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
 - (v) the Fourth Supplemental Trust Deed dated 2 June 2009 (the **Fourth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
 - (vi) the Fifth Supplemental Trust Deed dated 10 June 2011 (the **Fifth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
 - (vii) the Sixth Supplemental Trust Deed dated 18 June 2012 (the **Sixth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
 - (viii) the Seventh Supplemental Trust Deed dated 29 May 2013 (the **Seventh Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;
 - (ix) the Eighth Supplemental Trust dated 29 May 2014 (the **Eighth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed;

- (x) the Ninth Supplemental Trust Deed dated 29 May 2015 (the **Ninth Supplemental Trust Deed**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed; and
 - (xi) the Tenth Supplemental Trust Deed dated 15 June 2018 (the **Tenth Supplemental Trust Deed** and, together with the Principal Trust Deed, the First Supplemental Trust Deed, the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed and the Ninth Supplemental Trust Deed, the **Subsisting Trust Deeds**) made between the Issuer and the Trustee and further modifying and restating the provisions of the Principal Trust Deed.
- (B) On 16 July 2019 the Issuer published a modified and updated Prospectus relating to the Programme (the **Prospectus**).

NOW THIS ELEVENTH SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

1. Subject as hereinafter provided, all words and expressions defined in the Subsisting Trust Deeds shall unless the context otherwise requires have the same meanings in this Eleventh Supplemental Trust Deed.
2. Save:
 - (a) in relation to all Series of Notes issued during the period up to and including the day last preceding the date of this Eleventh Supplemental Trust Deed (the **Existing Notes**) and any Notes issued on or after the date of this Eleventh Supplemental Trust Deed so as to be consolidated and form a single Series with any Series of Existing Notes; and
 - (b) for the purpose (where necessary) of construing the provisions of this Eleventh Supplemental Trust Deed,with effect on and from the date of this Eleventh Supplemental Trust Deed:
 - (i) the Principal Trust Deed (as previously modified and/or restated) is further modified in such manner as would result in the Principal Trust Deed as so further modified being in the form set out in the Schedule hereto; and
 - (ii) the provisions of the Subsisting Trust Deeds (insofar as the same still have effect) shall cease to have effect and in lieu thereof the provisions of the Principal Trust Deed as so further modified (and being in the form set out in the Schedule hereto) shall have effect.
3. The Subsisting Trust Deeds and this Eleventh Supplemental Trust Deed shall henceforth be read and construed together as one document.
4. A memorandum of this Eleventh Supplemental Trust Deed shall be endorsed by the Trustee on the original of the Principal Trust Deed and by the Issuer on its duplicate thereof.
5. This Eleventh Supplemental Trust Deed may be executed and delivered in any number of counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same deed. Delivery of a counterpart of this Eleventh Supplemental Trust Deed by email attachment or telecopy shall be an effective mode of delivery.

IN WITNESS whereof this Eleventh Supplemental Trust Deed has been executed as a deed by the Issuer and the Trustee and delivered on the date first stated on page 1 above.

SCHEDULE
FORM OF MODIFIED PRINCIPAL TRUST DEED

TRUST DEED

12 DECEMBER 1997
AS MODIFIED ON 16 JULY 2019

BRITISH TELECOMMUNICATIONS public limited company

and

THE LAW DEBENTURE TRUST CORPORATION p.l.c.

related to the €20,000,000,000 (originally U.S.\$10,000,000,000) Euro Medium Term Note Programme

CONTENTS

Clause	Page
1. Definitions	3
2. Issue of Notes.....	11
3. Form of Notes	14
4. Fees, Duties and Taxes	15
5. Covenant of Compliance	15
6. Cancellation of Notes and Records	15
7. Power of Trustee to Institute Proceedings	17
8. Application of Moneys Received by Trustee.....	17
9. Notice of Payments	18
10. Accumulation and Investment	18
11. Partial Payments.....	18
12. Covenants by the Issuer	19
13. Remuneration and Indemnification of the Trustee.....	22
14. Provisions Supplemental to the Trustee Acts	23
15. Trustee's Liability.....	27
16. Delegation of Trustee's Powers.....	27
17. Employment of Agent/Custodian/Nominee by Trustee	28
18. Trustee Contracting with the Issuer or a Subsidiary of the Issuer.....	28
19. Waiver; Authorisation; Determination	29
20. Modification	29
21. Holder of Definitive Note assumed to be Couponholder and Talonholder	29
22. No Notice to Couponholders	29
23. Substitution.....	30
24. Currency Indemnity.....	32
25. New Trustee; Separate and Co-Trustees.....	32
26. Trustee's Retirement and Removal.....	33
27. Trustee's Powers to be Additional	33
28. Notices.....	33
29. Counterparts.....	34
30. Rights of Third Parties	34
31. Governing Law	34

Schedule

1. Terms and Conditions of the Notes.....	35
2. Forms of Global and Definitive Notes, Coupons and Talons	70
Part 1 Form of Temporary Global Note.....	70
Part 2 Form of Permanent Global Note	78
Part 3 Form of Definitive Note	86
Part 4 Form of Coupon	90
Part 5 Form of Talon	92
3. Provisions for Meetings of Noteholders	94
4. Form of Guarantee on Substitution	101

Signatories.....	103
------------------	-----

THIS TRUST DEED is made on 16 July 2019

BETWEEN:

- (1) **BRITISH TELECOMMUNICATIONS public limited company**, a company incorporated under the laws of England, whose registered office is at 81 Newgate Street, London EC1A 7AJ, England (hereinafter called the **Issuer**) of the one part; and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated under the laws of England, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (hereinafter called the **Trustee** which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) of the other part.

WHEREAS:

- (A) Pursuant to resolutions of the Board of Directors of the Issuer passed on 26 April 1994, 23 October 2001 and 14 June 2018 the Issuer resolved to establish and update a Euro Medium Term Note Programme. Up to a maximum nominal amount from time to time outstanding of €20,000,000,000 (subject to increase as provided in the Programme Agreement (as defined below)) (the **Programme Limit**) may be issued pursuant to the said Programme.
- (B) The Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders and Couponholders upon and subject to the terms and conditions of these presents.

NOW THIS TRUST DEED WITNESSES and it is hereby agreed and declared as follows:

1. DEFINITIONS

- 1.1 Terms defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed. In these presents unless there is anything in the subject or context inconsistent therewith the expressions listed below shall have the following meanings, namely:

Agency Agreement means the Agency Agreement dated 12 December 1997 (such Agency Agreement as amended and/or supplemented and/or restated from time to time) pursuant to which the Issuer has appointed the initial Agent and the initial Paying Agents in relation to all or any Series of the Notes and any other agreement for the time being in force appointing further or other Agents or Paying Agents in relation to all or any Series of the Notes, or in connection with their duties, the terms of which have been approved in writing by the Trustee, together with any agreement for the time being in force amending, replacing, novating, modifying or restating with the prior written approval of the Trustee any of the aforesaid agreements;

Agent means, in relation to all or any Series of the Notes, Citibank, N.A., London Branch at its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or, if applicable, any Successor agent in relation thereto;

Appointee means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;

CGN means a Temporary Global Note or a Permanent Global Note and in either case in respect of which the applicable Final Terms indicate is not a New Global Note;

Clearstream, Luxembourg means Clearstream Banking S.A.;

Code means the US Internal Revenue Code of 1986;

Conditions means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1, or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Final Terms applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of these presents;

Coupon means an interest coupon appertaining to a Definitive Note (other than a Zero Coupon Note), such coupon being:

- (a) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Part 4A of Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (b) if appertaining to a Floating Rate Note or an Index Linked Interest Note, in the form or substantially in the form set out in Part 4B of Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (c) if appertaining to a Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note nor an Index Linked Interest Note, in such form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 10;

Couponholders means the several persons who are for the time being bearers of the Coupons and includes, where applicable, the Talonholders;

Dealers means Barclays Bank PLC and any other entity which the Issuer may appoint as a Dealer and notice of whose appointment has been given to the Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement but excluding any entity whose appointment has been terminated in accordance with the provisions of the Programme Agreement and notice of which termination has been given to the Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement and references to a **relevant Dealer** or **relevant Dealer(s)** mean, in relation to any Tranche or Series of Notes, the Dealer or Dealers with whom the Issuer has agreed the issue of the Notes of such Tranche or Series and **Dealer** means any one of them;

Definitive Note means a definitive Note issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) in exchange for either a Temporary Global Note or a Permanent Global Note (all as indicated in the applicable Final Terms), such definitive Note being in the form or substantially in the form set out in Part 3 of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note) having Coupons and, where appropriate, Talons attached thereto on issue;

Director means a person who is for the time being a member of the Board of Directors of the Issuer;

Euroclear means Euroclear Bank SA/NV;

Eurosystem means the central banking system for the euro;

Eurosystem-eligible NGN means a NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms;

Event of Default means any of the events described in Condition 9.1 (being events upon the happening of which the Notes of any Series to which such Condition relates would, subject only to notice by the Trustee as therein provided, become due and repayable);

Extraordinary Resolution has the meaning set out in paragraph 20 of the Schedule 3;

FATCA Withholding Tax means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or any withholding or deduction otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations, agreements or undertakings thereunder or official interpretations thereof or similar law implementing an intergovernmental approach thereto;

Final Terms has the meaning set out in the Programme Agreement;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

Floating Rate Note means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or twelve-monthly or in respect of such other period or on such date(s) as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

Global Note means a Temporary Global Note and/or a Permanent Global Note, as applicable;

Holding Company means a holding company within the meaning of Section 1159 of the Companies Act 2006;

indebtedness for borrowed money means money borrowed and premium and interest in respect thereof, liabilities in respect of any acceptance credit, note or bill discounting facility and liabilities under any note, bond, debenture, loan stock or other security whether issued in whole or in part for cash or other consideration but excluding all such liabilities as aforesaid incurred in relation to the acquisition of goods and services or in the ordinary course of trading;

Index Linked Interest Note means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index and/or a formula as the Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

Index Linked Note means an Index Linked Interest Note and/or an Index Linked Redemption Note, as applicable;

Index Linked Redemption Note means a Note in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula as the Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

Interest Commencement Date means, in the case of interest-bearing Notes, the date specified in the applicable Final Terms from (and including) which such Notes bear interest, which may or may not be the Issue Date;

Interest Payment Date means, in relation to any Floating Rate Note or Index Linked Interest Note, either:

- (a) the date which falls the number of months or other period specified as the **Specified Period** in the applicable Final Terms after the preceding Interest Payment Date or the Interest Commencement Date (in the case of the first Interest Payment Date); or
- (b) such date or dates as are indicated in the applicable Final Terms;

Issue Date means, in respect of any Note, the date of issue and purchase of such Note pursuant to and in accordance with the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), being in the case of any Permanent Global Note or Definitive Note represented initially by a Temporary Global Note, the same date as the date of issue of the Temporary Global Note which initially represented such Note;

Issue Price means the price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued;

Liability means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or other similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

London Business Day has the meaning set out in Condition 4.2(f);

Maturity Date means the date on which a Note is expressed to be redeemable;

month means calendar month;

NGN means a Temporary Global Note or a Permanent Global Note and in either case in respect of which the applicable Final Terms indicate is a New Global Note;

Non-eligible NGN means a NGN which is not intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms;

Note means a note denominated in such currency or currencies as may be agreed between the Issuer and the relevant Dealer(s) which:

- (a) has such maturity as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant currency; and
- (b) has such denomination as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency,

and is issued or to be issued by the Issuer pursuant to the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) and which shall initially be represented by,

and comprised in, either (a) a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes or (b) a permanent Global Note which may (in accordance with the terms of such Permanent Global Note) be exchanged for Definitive Notes (all as indicated in the applicable Final Terms) and includes any replacements for a Note issued pursuant to Condition 10;

Noteholders means the several persons who are for the time being holders of outstanding Notes save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Global Note held on behalf of Euroclear and/or of Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) 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 Notes of such Series (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of such Global Note in accordance with and subject to its terms and the provisions of these presents (or the Trustee in accordance with these presents) and the expressions **Noteholder**, **holder of Notes** and related expressions shall be construed accordingly;

notice means, in respect of a notice to be given to Noteholders, a notice validly given pursuant to Condition 13;

Official List has the meaning set out in Section 103 of the Financial Services and Markets Act 2000;

outstanding means, in relation to the Notes, all the Notes other than (a) those Notes which have been redeemed and cancelled pursuant to Condition 6 or otherwise pursuant to these presents; (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys wherefor (including all interest payable thereon to the date for such redemption) have been duly paid to the Trustee or to the Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the relevant Noteholders in accordance with Condition 13) and remain available for payment against presentation of those Notes and/or, as the case may be, the relative Coupons; (c) those Notes which have been purchased and cancelled in accordance with Condition 6; (d) those Notes which have become void under Condition 8; (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 10; (f) (for the purpose only of ascertaining the amount of the Notes outstanding and without prejudice to their status for any other purpose) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 10; and (g) any Temporary Global Note to the extent that it shall have been exchanged for Definitive Notes or a Permanent Global Note and any Permanent Global Note to the extent that it shall have been exchanged for Definitive Notes, in each case pursuant to its provisions;

PROVIDED THAT for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the holders of Notes of any one or more Series, an Extraordinary Resolution in writing or an Extraordinary Resolution by way of electronic consents through the relevant clearing system(s) as envisaged by paragraph 1 of Schedule 3 and any direction or request by the holders of the Notes;

- (b) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Clause 7.3, Conditions 9 and 14 and paragraphs 2, 5, 6 and 9 of Schedule 3; and
- (c) any discretion, power or authority (whether contained in these presents or vested by operation of law which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes of any Series or any of them; and
- (d) the determination by the Trustee whether any of the events mentioned in paragraphs (b) to (f) (both inclusive) of Condition 9.1 is, in its opinion, materially prejudicial to the interests of the holders of the Notes of any Series,

those Notes of any Series which are for the time being held by any person (including, but not limited to, the Issuer or any Subsidiary of the Issuer) for the benefit of the Issuer or any Subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding. Save for the purposes of the proviso herein, in the case of each NGN, the Trustee shall rely on the records of Euroclear and Clearstream, Luxembourg in relation to any determination of the nominal amount outstanding of each NGN;

Paying Agents means in relation to all or any Series of the Notes, the several institutions (including where the context permits the Agent) at their respective specified offices initially appointed as paying agents by the Issuer pursuant to the Agency Agreement and/or, if applicable, any Successor paying agents in relation thereto;

Permanent Global Note means a global note in the form or substantially in the form set out in Part 2 of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Notes of the same Series, issued by the Issuer pursuant to the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) and these presents;

Programme means the Euro Medium Term Note Programme for the issue of Notes established by, or otherwise contemplated in, the Programme Agreement;

Programme Agreement means the agreement of even date herewith between the Issuer and the Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating, modifying or restating such agreement;

Relevant Date has the meaning set out in Condition 7;

repay, redeem and pay shall each include both the others and **repaid, repayable and repayment, redeemed, redeemable and redemption** and **paid, payable and payment** shall be construed accordingly;

Series means a Tranche of the Notes together with any further Tranche or Tranches of the Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **Notes of the relevant Series** and **holders of Notes of the relevant Series** and related expressions shall be construed accordingly;

specified office means:

- (a) in relation to any Paying Agent named as such at the end of the Conditions, its office there specified and/or such other office or offices as may from time to time be specified by the Issuer with the approval of the Trustee or, as the case may be, notified by any Paying Agent to the Issuer and the Trustee pursuant to the Agency Agreement and notified to the Noteholders in accordance with Condition 13; and
- (b) in relation to any other Paying Agent, the office or offices specified in the notice of appointment of such Paying Agent and/or such other office or offices as may from time to time be specified by the Issuer with the approval of the Trustee and notified to the Noteholders as aforesaid;

Stock Exchange means the London Stock Exchange or any other or further stock exchange(s) on which any Notes may from time to time be listed or admitted to trading, and references in these presents to the **relevant Stock Exchange** shall, in relation to any Notes, be references to the Stock Exchange on which such Notes are, from time to time, or are intended to be, listed or admitted to trading;

Subsidiary means any company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006);

Successor means, in relation to the Agent and the other Paying Agents, any successor to any one or more of them in relation to the Notes which shall become such pursuant to the provisions of these presents or the Agency Agreement (as the case may be) and/or such other or further agent and/or other or further paying agents (as the case may be) in relation to the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the former case being within the same city as those for which they are substituted) as may from time to time be nominated, in each case by the Issuer and (except in the case of the initial appointments and specified offices made under and specified in the Agency Agreement) notice of whose appointment or, as the case may be, nomination has been given to the Noteholders pursuant to Clause 12(l) in accordance with Condition 13;

Talonholders means the several persons who are for the time being holders of the Talons;

Talons means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, a Definitive Note (other than a Zero Coupon Note), such talons being in the form or substantially in the form set out in Part 5 of Schedule 2 or in such other form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 10;

Temporary Global Note means a global note in the form or substantially in the form set out in Part 1 of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Notes of the same Series, issued by the Issuer pursuant to the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) and these presents;

the London Stock Exchange means the London Stock Exchange plc and any successor thereto;

these presents means this Trust Deed and the Schedules and any Trust Deed supplemental hereto and the Schedules (if any) thereto and the Notes, the Coupons, the Talons and the Conditions, all as from time to time modified in accordance with the provisions herein or therein contained;

Tranche means all Notes which are identical in all respects (including as to listing);

Trustee Acts means the Trustee Act 1925 and the Trustee Act 2000;

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act, 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

Zero Coupon Note means a Note on which no interest is payable;

words denoting the singular number only shall include the plural number also and *vice versa*;

words denoting one gender only shall include the other genders; and

words denoting persons only shall include firms and corporations and *vice versa*.

- 1.2
- (a) All references in these presents to principal and/or principal amount and/or interest in respect of the Notes or to any moneys payable by the Issuer under these presents shall, unless the context otherwise requires, be construed in accordance with Condition 5.6.
 - (b) All references in these presents to costs or charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof.
 - (c) All references in these presents to **dollars, U.S. dollars, United States dollars** or the signs **\$, US\$ or U.S.\$** shall be construed as references to the lawful currency for the time being of the United States of America and to **euro** or the sign **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.
 - (d) All references in these presents to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such re-enactment.
 - (e) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
 - (f) Unless the context otherwise requires words and expressions contained in these presents shall bear the same meanings as in the Companies Act 2006.
 - (g) In this Trust Deed references to Schedules, Clauses, subclauses, paragraphs and subparagraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, subclauses, paragraphs and subparagraphs of this Trust Deed respectively.
 - (h) References in these presents to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in these presents.
 - (i) All references in these presents to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include references to any other clearing system as is approved by the Trustee. In the case of NGNs, such other clearing system must also be authorised to hold the Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

- (j) Where in these presents either party is required to give any notice, document or other information or to do any act or thing (unless otherwise expressly stated to the contrary) such notice, document or other information shall be given and such act or thing shall be done as soon as is reasonably practicable.
 - (k) All references in these presents to the "records" of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interest in the Notes.
 - (l) All references in these presents involving compliance by the Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of the holders of the Notes of the relevant one or more Series as a class.
 - (m) All reference in these presents to a written notice, consent or approval being given by the Trustee shall, for the avoidance of doubt, be deemed to include such notice, consent or approval being given by e-mail.
- 1.3 Words and expressions defined in these presents or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and these presents, these presents shall prevail and, in the event of inconsistency between the Agency Agreement or these presents and the applicable Final Terms, the applicable Final Terms shall prevail.
- 1.4 All references in these presents to the **relevant currency** shall be construed as references to the currency in which payments in respect of the Notes and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.
- 1.5 All references in this Agreement to a Directive include any relevant implementing measure of each Member State of the European Economic Area which has implemented such Directive.
- 1.6 As used herein, in relation to any notes which are to have a "listing" or be "listed" (i) on the London Stock Exchange plc, **listing** and **listed** shall be construed to mean that such notes have been admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market and (ii) on any other Stock Exchange within the European Economic Area, **listing** and **listed** shall be construed to mean that the Notes have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).
- 1.7 All references in these presents to **listing** and **listed** shall include references to **quotation** and **quoted** respectively.
- 1.8 The Clause headings and tables of contents have been included for ease of reference only and shall not affect the construction of these presents.

2. ISSUE OF NOTES

- 2.1 The Notes will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3(6) of the Programme Agreement shall apply.

By not later than 3.00 p.m. (London time) on the London Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable

Final Terms and shall notify the Trustee or cause the Trustee to be notified in writing as soon as practicable of the relevant Issue Date and the nominal amount of the Notes of the relevant Series represented thereby. Upon the issue of the relevant Note(s), the Notes of the Series to which it or they relate(s) shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Trust Deed and on such other occasions as the Trustee so requests (on the basis that the Trustee considers it prudent in view of a change (or proposed change) in applicable law materially affecting the Issuer, these presents or the Agency Agreement or the Trustee has other grounds which shall not include the mere lapse of time), the Issuer will procure that further legal opinions or, where applicable, a further legal opinion (relating, if applicable, to any such change or proposed change) in such form and with such content as the Trustee may require from legal advisers approved by the Trustee are/is delivered to the Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion in a form satisfactory to the Trustee shall be a further condition precedent to the issue of those Notes.

- 2.2 As and when the Notes of any Series or any of them become(s) due to be redeemed in accordance with the Conditions, the Issuer shall unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency in immediately available funds the principal amount in respect of the Notes of such Series becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall (subject to the provisions of the Conditions) in the meantime and until redemption in full of the Notes of such Series (as well after as before any judgment or other order of any court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the nominal amount of the Notes outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4) PROVIDED THAT (a) every payment of principal or interest or other sum due in respect of the Notes made to or to the order of the Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relevant covenant by the Issuer in this Clause contained in relation to the Notes of such Series (including, in the case of Notes represented by a NGN, whether or not the corresponding entries have been made in the records of Euroclear and Clearstream, Luxembourg) except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Noteholders or Couponholders (as the case may be); (b) in the case of any payment of principal made to the Trustee or the Agent after the due date or on or after accelerated maturity following an Event of Default, interest shall continue to accrue on the principal amount of the relevant Notes (except in the case of Zero Coupon Notes, to which the provisions of Condition 6.8 shall apply) at the rates and/or in the amounts aforesaid up to and including the date (being not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Trustee or the Agent) which the Trustee determines to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Notes; and (c) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (b) above) interest shall accrue on the principal amount of such Note (except in the case of Zero Coupon Notes, to which the provisions of Condition 6.8 shall apply) payment of which has been so withheld or refused at the rates and/or in the amounts aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Note is made or (if earlier) the day after notice is given to the relevant Noteholder (whether individually or in accordance with Condition 13) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made. The Trustee shall hold the benefit of this covenant on trust for itself and the Couponholders according to its and their respective interests.

- 2.3 At any time after an Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default shall have occurred or the Notes shall have become repayable and shall not have been repaid, the Trustee may:
- (a) by notice in writing to the Issuer, the Agent and the other Paying Agents, require the Agent and the other Paying Agents pursuant to the Agency Agreement:
 - (i) to act thereafter as Agent and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of these presents *mutatis mutandis* on the terms provided in the Agency Agreement (except that the Trustee's liability under any provisions therein contained shall be limited to the amount for the time being held by the Trustee on the terms of these presents in respect of the relevant Notes and Coupons) and thereafter to hold all Notes, Coupons and Talons and all sums, documents and records held by them in respect of the Notes, Coupons and Talons on behalf of the Trustee; or
 - (ii) to deliver up all Notes, Coupons and Talons and all sums, documents and records held by them in respect of Notes, Coupons and Talons in each case held by them in their capacity as Agent or, as the case may be, other Paying Agents to the Trustee or as the Trustee shall direct in such notice, PROVIDED THAT such notice shall be deemed not to apply to any document or record which the Agent or relevant other Paying Agent is obliged not to release by any applicable law or regulation; and
 - (b) by notice in writing to the Issuer, require it to make all subsequent payments in respect of the Notes and Coupons to or to the order of the Trustee and not to the Agent, and with effect from the issue of any such notice unless and until such notice is withdrawn, proviso (a) to subclause 2.2 above shall cease to have effect.
- 2.4 If the Floating Rate Notes or Index Linked Interest Notes of any Series become immediately due and repayable under Condition 9, the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 4 except that the rates of interest need not be published.
- 2.5 All payments in respect of, under and in connection with these presents and the Notes of any Series to the relevant Noteholders and Couponholders shall be made in the relevant currency.
- 2.6 The Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Noteholders or Couponholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes), and so that the same shall be consolidated and form a single Series, with the outstanding Notes of a particular Series.
- 2.7 The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of Clauses 3 to 24 (both inclusive) and 25.2 and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions **Notes**, **Noteholders**, **Coupons**, **Couponholders**, **Talons** and **Talons** shall be construed accordingly.

3. FORM OF NOTES

- 3.1 The Notes of each Tranche will initially be represented by either (a) a single Temporary Global Note which shall be exchangeable for either Definitive Notes together with, where applicable (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Global Note in each case in accordance with the provisions set out therein; or (b) a single Permanent Global Note which shall be exchangeable for Definitive Notes together with, where applicable, (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached in accordance with the provisions set out therein. Each Permanent Global Note shall be exchangeable for Definitive Notes together with, where applicable, (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached, all as set out in such Permanent Global Note. All Global Notes shall be prepared, completed and delivered to a common depositary (in the case of a CGN) or a common safekeeper (in the case of a NGN) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depositary in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.
- 3.2 The Global Notes, the Definitive Notes, the Coupons and the Talons shall be in bearer form. The Global Notes may be facsimile or photocopies and each shall have annexed thereto a copy of the applicable Final Terms. The Definitive Notes, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to this Trust Deed) into such Definitive Notes if permitted by the relevant Stock Exchange (if any) or, if not so permitted, the Definitive Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Notes shall have endorsed thereon or attached thereto the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms. Title to the Global Notes, the Definitive Notes, the Coupons and the Talons shall pass by delivery.
- 3.3 The Global Notes shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by an authorised officer on behalf of the Agent and shall, in the case of a Eurosystem-eligible NGN or in the case of a Non-eligible NGN in respect of which effectuation is to be applicable, be effectuated by the common safekeeper acting on the instructions of the Issuer and Agent. The Definitive Notes, the Coupons and the Talons shall be signed manually or in facsimile by two of the Directors and the Definitive Notes shall be authenticated by an authorised officer on behalf of the Agent and shall, in the case of a Eurosystem-eligible NGN or in the case of a Non-eligible NGN in respect of which effectuation is to be applicable, be effectuated by the common safekeeper acting on the instructions of the Issuer and Agent. The Issuer may use the facsimile signature of any person who at the date such signature is affixed is so authorised or, as the case may be, a Director even if at the time of issue of the relevant Global Notes, the Definitive Notes, the Coupons and the Talons he may have ceased for any reason to be so authorised or, as the case may be, a Director. The Global Notes and the Definitive Notes so executed and authenticated, and the, the Coupons and the Talons so executed and subject to authentication of the Definitive Notes, shall be binding and valid obligations of the Issuer. No Global Note, Definitive Note, Coupon or Talon shall be binding or valid until such Global Note, Definitive Note, Coupon or Talon (as the case may be) shall have been executed and (in the case of the Definitive Notes) authenticated as aforesaid.
- 3.4 Except as ordered by a court of competent jurisdiction or as required by law the Issuer, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note, Coupon or Talon as the absolute owner thereof (whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented

by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the Global Note in accordance with and subject to its terms (or the Trustee in accordance with these presents) (and the expressions **Noteholder**, **holder of Notes** and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be. In order to exercise any rights in their capacity as Noteholders, Accountholders must exercise such rights through Euroclear or Clearstream, Luxembourg, either against presentation of the Global Note to or to the order of the Agent and against its endorsement by or on behalf of the Agent to reflect the exercise of such rights or, at the option of the Agent, by the production to the Agent of an undertaking from Euroclear and/or Clearstream, Luxembourg that they will not debit or transfer Notes from the account of that Accountholder until a certain time or date or before the occurrence of an identified condition precedent.

- 3.5 Without prejudice to the provisions of Clause 14(z), the Issuer and the Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear or Clearstream, Luxembourg or any form of record made by either of them to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note.

4. FEES, DUTIES AND TAXES

The Issuer will pay any stamp, issue, registration, documentary and other duties, fees and taxes including interest and penalties payable on or in connection with (a) the execution and delivery of these presents (b) the constitution and original issue and delivery of the Notes and the Coupons and (c) any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Noteholder or Couponholder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, the provisions of these presents.

5. COVENANT OF COMPLIANCE

The Issuer hereby covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Noteholders, the Couponholders and the Trustee. The Trustee shall be entitled to enforce the obligations of the Issuer under the Notes and the Coupons as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Notes. The Trustee shall hold the benefit of this covenant upon trust for itself and the Noteholders and the Couponholders according to its and their respective interests. The provisions contained in Schedule 3 shall have effect in the same manner as if herein set forth.

6. CANCELLATION OF NOTES AND RECORDS

- 6.1 The Issuer shall procure that all Notes (a) redeemed or (b) purchased for cancellation by or on behalf of the Issuer or any Subsidiary of the Issuer or (c) which, being mutilated or defaced, have been

surrendered and replaced pursuant to Condition 10 (together in each case with all unmatured Coupons attached thereto or delivered therewith) and all Coupons paid in accordance with the Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 10 and all Talons exchanged in accordance with the Conditions for further Coupons shall forthwith be cancelled by or on behalf of the Issuer and a certificate stating:

- (a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amounts in respect of Coupons which have been paid;
- (b) the serial numbers of such Notes in definitive form;
- (c) the total numbers (where applicable, of each denomination) by maturity date of such Coupons;
- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Notes;
- (e) the aggregate nominal amount of Notes (if any) which have been purchased for cancellation by or on behalf of the Issuer or any Subsidiary of the Issuer and cancelled and the serial numbers of such Notes in definitive form and the total number (where applicable, of each denomination) by maturity date of the Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Notes and the aggregate amounts in respect of Coupons which have been so surrendered and replaced and the serial numbers of such Notes in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;
- (g) the total number (where applicable, of each denomination) by maturity date of unmatured Coupons missing from Notes in definitive form bearing interest at a fixed rate which have been redeemed or surrendered and replaced and the serial numbers of the Notes in definitive form to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons

shall be given to the Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon or exchange of the Talons respectively and of cancellation of the relative Notes and Coupons.

- 6.2 The Issuer shall use all reasonable endeavours to procure (a) that the Agent shall keep a full and complete record of all Notes and Coupons (other than serial numbers of Coupons) and of their redemption, purchase by or on behalf of the Issuer, cancellation, payment or exchange (as the case may be) and of all replacement notes, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes or Coupons (b) that the Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of six years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (c) that such records and Coupons (if any) shall be made available to the Trustee at all reasonable times.

7. POWER OF TRUSTEE TO INSTITUTE PROCEEDINGS

- 7.1 At any time after the Notes shall have become due and repayable and shall not have been repaid, the Trustee may, at its discretion and without further notice take such proceedings as it may think fit against the Issuer to enforce repayment thereof together with accrued interest and any other moneys payable pursuant to these presents.
- 7.2 Should the Trustee take legal proceedings against the Issuer to enforce any of the provisions of these presents:
- (a) proof therein that, as regards any specified Note, the Issuer has made default in paying any principal or interest due in respect of such Note shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Notes in respect of which the relevant payment is then due; and
 - (b) proof therein that, as regards any specified Coupon, the Issuer has made default in paying any interest due in respect of such Coupon shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Coupons which are then due and payable.
- 7.3 The Trustee shall not be bound to take any such proceedings as are mentioned in Clause 7.1 unless directed to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing including the cost of using its management's time and/or other internal resources calculated using its normal hourly rates in force from time to time.
- 7.4 Only the Trustee may enforce the provisions of these presents. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of these presents unless the Trustee, having become bound as aforesaid to take proceedings, fails to do so within a reasonable period and such failure shall be continuing in which event any such Noteholder or Couponholder, may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself take proceedings to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.

8. APPLICATION OF MONEYS RECEIVED BY TRUSTEE

- 8.1 All moneys received by the Trustee in respect of amounts payable under these presents shall be held by the Trustee upon trust to apply the same and shall, unless and to the extent attributable in the opinion of the Trustee to a particular Series of the Notes, be apportioned *pari passu* and rateably between each Series of the Notes, and all moneys received by the Trustee under these presents to the extent attributable in the opinion of the Trustee to a particular Series of the Notes or which are apportioned to such Series as aforesaid (including any moneys which represent principal or interest in respect of the Notes or Coupons which have become void under Condition 8) will be held by the Trustee upon trust to apply them:
- (a) FIRST in payment of all costs, charges and expenses incurred and payments made by the Trustee and/or any Appointee under the provisions of these presents and all remuneration payable to the Trustee and/or any Appointee;
 - (b) SECONDLY in or towards payment *pari passu* and rateably of all arrears of interest remaining unpaid in respect of the Notes of that Series and all principal moneys due in respect of the Notes of that Series; and

- (c) THIRDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of each other Series; and
 - (d) FOURTHLY in payment of the balance (if any) to the Issuer.
- 8.2 Without prejudice to the provisions of this Clause, if the Trustee shall hold any moneys which represent principal or interest in respect of Notes or Coupons which have become void under Condition 8 or interest which the Issuer is no longer obliged to pay pursuant to Condition 8, the Trustee shall (subject to payment or provision for the payment or satisfaction of the said costs, charges, expenses and liabilities including the remuneration of the Trustee) pay the same to the Issuer.

9. NOTICE OF PAYMENTS

The Trustee shall give notice to the Noteholders in accordance with Condition 13 of the day fixed for any payment to them under Clause 8. Such payment may be made in accordance with Condition 5 and any payment so made shall be a good discharge to the Trustee.

10. ACCUMULATION AND INVESTMENT

- 10.1 No provision of these presents shall (a) confer on the Trustee any right to exercise any investment discretion in relation to the assets subject to the trust constituted by these presents and, to the extent permitted by law, Section 3 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents and (b) require the Trustee to do anything which may cause the Trustee to be considered a sponsor of a covered fund under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any regulations promulgated thereunder.
- 10.2 The Trustee may deposit moneys in respect of the Notes in its name in an account at such bank or other financial institution as the Trustee may, in its absolute discretion, think fit. If that bank or financial institution is the Trustee or a subsidiary, holding or associated company of the Trustee, the Trustee need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer.
- 10.3 The parties acknowledge and agree that in the event that any deposits in respect of the Notes are held by a bank or a financial institution in the name of the Trustee and the interest rate in respect of certain currencies is a negative value such that the application thereof would result in amounts being debited from funds held by such bank or financial institution (“negative interest”), the Trustee shall not be liable to make up any shortfall or be liable for any loss.
- 10.4 The Trustee may at its discretion accumulate such deposits and the resulting interest and other income derived thereon. The accumulated deposits shall be applied under Clause 8. All interest and other income deriving from such deposits shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 13 to the Trustee and/or any Appointee and otherwise held for the benefit of and paid to the Noteholders or the holders of the related Coupons, as the case may be.

11. PARTIAL PAYMENTS

Upon any payment under Clause 8 (other than payment in full against surrender of a Note or Coupon) the Note or Coupon in respect of which such partial payment is made shall be produced to the Trustee or the Paying Agent by or through whom such payment is made and (except in the case of a NGN) the Trustee shall or shall cause such Paying Agent to enface thereon a memorandum of the amount and the date of payment.

12. COVENANTS BY THE ISSUER

So long as any of the Notes remains outstanding the Issuer shall:

- (a) at all times carry on and conduct its affairs in a proper and efficient manner;
- (b) give to the Trustee such information as it shall reasonably require and in such form as it shall reasonably require (including but without prejudice to the generality of the foregoing the procurement by the Issuer of all such certificates and other documents called for by the Trustee pursuant to Clause 14(c)) for the purpose of the discharge of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law, provided that the Issuer is not prevented from disclosing such information as a matter of law or contract or pursuant to a general duty of confidentiality;
- (c) cause to be prepared and certified in respect of each financial year, accounts in such form as will comply with any requirements for the time being of the laws of England;
- (d) at all times keep proper books of account and upon the occurrence of an Event of Default or if the Trustee has reasonable grounds for believing that an Event of Default is about to occur allow the Trustee and any person appointed by the Trustee to whom the Issuer shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours;
- (e) send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) four copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders (in their capacity as such) together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;
- (f) upon becoming aware of the same give notice in writing to the Trustee of the occurrence of any Put Event or Change of Control or any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default;
- (g) send to the Trustee (a) within 14 days after demand by the Trustee therefor and (b) (without the necessity for any such demand) after the publication of its audited accounts in respect of each financial year commencing with the year ending 31 March 1998 and in any event not later than 210 days after the end of each such year a certificate of the Issuer signed by two Directors to the effect that, to the best of their information, knowledge and belief, having made such enquiries as they reasonably consider appropriate, as at a date not more than seven days before delivering such certificate (the **relevant date**) there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate the Issuer has complied in all material respects with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied;
- (h) at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to these presents;

- (i) at all times maintain Paying Agents in accordance with the Conditions;
- (j) in the event of the unconditional payment to the Agent of any sum due in respect of the Notes or any of them or any of the Coupons being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with Condition 13 that such payment has been made;
- (k) in the case of listed Notes, use all reasonable endeavours to maintain the listing of the Notes on the Stock Exchange on which they are listed on issue or, if it is unable to do so having used all reasonable endeavours, use all reasonable endeavours to obtain and maintain a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the approval of the Trustee) decide and shall also use all reasonable endeavours to procure that there will at all times be furnished to any such stock exchange or securities market such information as such stock exchange or securities market may require to be furnished in accordance with its requirements and shall also upon obtaining a quotation or listing of the Notes on such other stock exchange or exchanges or securities market or markets enter into a trust deed supplemental hereto to effect such consequential amendments to these presents as the Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (l) give notice to the Noteholders in accordance with Condition 13 of any appointment, resignation or removal of any Paying Agent (other than the appointment of the initial Paying Agents) after having obtained the approval of the Trustee thereto or change of any Paying Agent's specified office and (except as provided by the Agency Agreement the Conditions) at least 30 days prior to such event taking effect; PROVIDED ALWAYS THAT so long as any of the Notes remains outstanding in the case of the termination of the appointment of the Agent, no such termination shall take effect until a new Agent has been appointed on terms approved by the Trustee;
- (m) obtain the prior written approval of the Trustee to, and promptly give to the Trustee four copies of, the form of every notice given to the Noteholders in accordance with Condition 13 (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (the **FSMA**) of a communication within the meaning of Section 21 of the FSMA);
- (n) if payments of principal, interest and other amounts in respect of the Notes become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United Kingdom or any such political sub-division thereof or any such authority therein or thereof, (unless the Trustee otherwise agrees) notify the Trustee of such event and enter forthwith upon becoming aware thereof into a trust deed supplemental hereto, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any political sub-division thereof or any authority therein or thereof having power to tax to whose taxing jurisdiction the Issuer shall have become subject as aforesaid such trust deed also to modify Condition 6.2 so that such Condition shall make reference to the other or additional territory, any political sub-division thereof and any authority therein or thereof having power to tax;
- (o) in all material respects comply with and perform all its obligations under the Agency Agreement and use all reasonable endeavours to procure that the Paying Agents comply with

and perform all their respective obligations thereunder and not make any amendment or modification to such Agreement without the prior written approval of the Trustee;

- (p) in order to enable the Trustee to ascertain the principal amount of Notes of each series for the time being outstanding for any of the purposes referred to in the proviso to the definition of **outstanding** contained in Clause 1, deliver to the Trustee upon being so requested in writing by the Trustee a certificate in writing signed by two Directors setting out the total number and aggregate nominal amount of Notes of each Series which:
 - (i) up to and including the date of such certificate have been purchased by the Issuer or any Subsidiary of the Issuer and cancelled; and
 - (ii) are at the date of such certificate held by any person (including but not limited to the Issuer or any Subsidiary of the Issuer) for the benefit of the Issuer or any Subsidiary of the Issuer;
- (q) in the event that it proposes to transfer its business or a substantial part thereof to a successor in business or, as the case may be, a Holding Company of the Issuer or a Subsidiary of such Holding Company incorporated in the United Kingdom, as contemplated by Condition 13, it shall at the same time as such transfer, or prior thereto, enter into and procure that such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company shall enter into a trust deed supplemental to this Trust Deed containing a guarantee of the Issuer's obligations under these presents in the form or substantially in the form set out in Schedule 4 (or with such modifications thereto as the Issuer and the Trustee may agree) and such consequential modifications to these presents as the Trustee shall reasonably require in the interests of the Noteholders and the Issuer shall comply and procure that such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company shall comply with the requirements of the Trustee as to the provisions concerning the ability of such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company to give such a guarantee contained in its memorandum and articles of association, a special resolution of the members of such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company resolving that it give such a guarantee, the consent of the minority shareholders (if any) of such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company, certification as to solvency of such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company and absence of any Event of Default, supplemental Agency Agreements, legal opinions and notice to the Noteholders and such other requirements relating solely to the validity and enforceability of such guarantee as the Trustee may reasonably require in the interests of the Noteholders (for the avoidance of any doubt, it being agreed that the Trustee shall not have regard to the financial condition, profits or prospects of such successor in business or, as the case may be, Holding Company of the Issuer or Subsidiary of such Holding Company);
- (r) make a written request to Euroclear and/or Clearstream, Luxembourg (as the case may be) for the issue of any certificate or other document requested by the Trustee under Clause 14(o) as soon as reasonably practicable after such request;
- (s) if, in accordance with the provisions of the Conditions, interest in respect of Notes denominated in U.S. dollars becomes payable at the specified office of any Paying Agent in the United States of America promptly give notice thereof to the Noteholders in accordance with Condition 13;

- (t) promptly provide the Trustee with copies of all supplements to, and/or amendments to, and/or restatements of, the Programme Agreement; and
- (u) use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg, as the case may be, issue(s) any record, certificate or other document requested by the Trustee under Clause 14(z) as soon as practicable after such a request.
- (v) provide to the Trustee, upon being requested to do so in writing by the Trustee, information about the Issuer that it is reasonably able to provide so as to enable the Trustee to determine whether and in what amount the Trustee is obliged to make any FATCA Withholding Tax.

13. REMUNERATION AND INDEMNIFICATION OF THE TRUSTEE

13.1 So long as any of the Notes remains outstanding, the Issuer shall pay to the Trustee remuneration for its services as trustee fees at such rate and on such date or dates as may from time to time be agreed between the Issuer and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders and Couponholders) down to the date when all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Agent or the Trustee PROVIDED THAT if upon due presentation of any Note or Coupon or any cheque in respect of such redemption moneys or interest payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue from the date of such withholding or refusal. The Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under these presents.

13.2 In the event of the Trustee giving a notice under Condition 9.1 or the Notes having become due and repayable and not having been repaid or the Trustee considering it expedient or necessary to, or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them (and which may be calculated by reference to the Trustee's normal hourly rates in force from time to time).

13.3 In the event of the Trustee and the Issuer failing to agree:

- (a) (in a case to which subclause 13.1 applies) upon the amount of the remuneration; or
- (b) (in a case to which subclause 13.2 applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by an investment bank or other person (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such investment bank or other person being borne equally by the Issuer and the Trustee) and the determination of any such investment bank or other person shall be final and binding upon the Trustee and the Issuer.

13.4 The Issuer shall also pay or discharge all costs, charges, liabilities and expenses incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to legal and travelling expenses and any stamp and other taxes or duties paid by the Trustee in connection with any legal proceedings brought or contemplated by the Trustee against the Issuer for enforcing any obligation under these presents.

- 13.5 All costs, charges, liabilities and expenses incurred and payments made by the Trustee in the lawful exercise of the powers conferred upon it by these presents and all remuneration payable to the Trustee shall be payable by the Issuer on demand and in the case of payments actually made by the Trustee prior to such demand shall carry interest at the rate of 3 per cent. per annum over the base rate from time to time of National Westminster Bank PLC for such time as such amount remains unpaid (as evidenced by the Trustee's written records), and in all other cases shall carry interest at such rate from the date 30 days after the date of the same being demanded or, if later, the date on which payment is actually made by the Trustee.
- 13.6 The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Notes any costs, charges, expenses or liabilities incurred under these presents have been incurred or to allocate any such costs, charges, expenses or liabilities between the Notes of more than one Series.
- 13.7 Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause shall continue in full force and effect notwithstanding such discharge.

14. PROVISIONS SUPPLEMENTAL TO THE TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by these presents. Where there are any inconsistencies between the Trustee Acts and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act. The Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) The Trustee may in relation to these presents act on the advice or opinion of or any information (whether addressed to the Trustee or not) obtained from any lawyer, valuer, accountant, surveyor, auctioneer, banker, broker or other expert whether obtained by the Issuer, the Trustee or otherwise and provided it shall have exercised due care in the selection of any such lawyer, valuer, accountant, banker, broker or other expert shall not be responsible for any Liability occasioned by so acting.
- (b) Any such advice, opinion or information may be sent or obtained by letter, facsimile transmission or email and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, facsimile transmission or email although the same shall contain some error or shall not be authentic provided the same is not manifest.
- (c) The Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two Directors and in connection with a transfer of the business of the Issuer or a substantial part thereof to a Subsidiary of the Issuer, as contemplated by Clause 12(q), the Trustee may call for and shall be at liberty to accept the documents referred to in Clause 12(q) reflecting its requirements as mentioned therein and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by the Trustee or any other person acting on any such certificate or document.
- (d) The Trustee shall be at liberty to hold or to place these presents and any other documents relating to the Notes in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any

such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.

- (e) The Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.
- (f) The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Put Event or Change of Control or Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in these presents.
- (g) Save as expressly otherwise provided in these presents, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under these presents (the exercise or non-exercise of which as between the Trustee and the Noteholders and Couponholders shall be conclusive and binding on the Noteholders and Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise and in particular the Trustee shall not be bound to act at the request or direction of all or some of the Noteholders of all or any Series or otherwise under any provision of these presents or to take at such request or direction or otherwise any other action under any provision of these presents without prejudice to the generality of subclause 7.3 unless it shall first be indemnified to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.
- (h) The Trustee shall not be liable to any person by reason of having acted upon any resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the Noteholders of all or any Series in respect whereof minutes have been made and signed or any direction or request of Noteholders or any Extraordinary Resolution passed by way of electronic consents received through the relevant clearing system(s) in accordance with these presents or any direction or request of the holders of the Notes of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing or a direction or request) it was not signed by the requisite number of Noteholders or (in the case of an Extraordinary Resolution passed by electronic consents received through the relevant clearing system(s)) it was not approved by the requisite number of Noteholders or that for any reason the resolution was not valid or binding upon such Noteholders and the relative Couponholders.
- (i) The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Without prejudice to the right of indemnity by law given to trustees, the Trustee and every Appointee is hereby indemnified by the Issuer against all liabilities and expenses incurred by it or him in the execution or purported execution of the powers and trusts of these presents or of any powers, authorities or discretions vested in it or him pursuant to these presents and against all actions, proceedings, costs, claims and demands in respect of any matter or thing

done or omitted in any way relating to these presents and failing due payment by the Issuer the Trustee may in priority to any payment to the Noteholders or Couponholders retain and pay out of any moneys in its hands upon the trusts of these presents the amount of any such liabilities and expenses and also the remuneration of the Trustee as hereinbefore provided.

- (k) Any consent or approval given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary contained in these presents or the Conditions may be given retrospectively. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in these presents) if it is satisfied that the interests of the Noteholders of all or any Series will not be materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in the preceding sentence.
- (l) The Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder or Couponholder any information. (including without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the Issuer or any other person in connection with these presents and no Noteholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.
- (m) Where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall (unless otherwise provided by these presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustee in consultation with the Issuer as relevant and any rate, method and date so agreed shall be binding on the Issuer, the Noteholders and the Couponholders.
- (n) The Trustee may certify that any of the conditions, events and acts set out in paragraphs (b) to (f) (both inclusive) of Condition 9.1 (each of which conditions events and acts shall, unless in any case the Trustee in its absolute discretion shall otherwise determine for all the purpose of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is, in its opinion, materially prejudicial to the interests of the Noteholders and any such certificate shall, in the absence of manifest error, be conclusive and binding upon the Issuer, the Noteholders and the Couponholders.
- (o) The Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes represented by a Global Note standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the holder of a particular principal amount of Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.
- (p) The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Notes or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.

- (q) Subject to the requirements, if any, of the relevant Stock Exchange, any corporation into which the Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Trustee under these presents without executing or filing any paper or document or any further act on the part of the parties thereto.
- (r) The Trustee shall not be bound to take any steps to enforce the performance of any provisions of this Trust Deed, the Notes or the Coupons or to appoint an independent financial advisor pursuant to the Conditions of the Notes unless it shall be indemnified and/or secured and/or prefunded by the relevant Noteholders and/or Couponholders to its satisfaction against all proceedings, claims and demands to which it may be liable and against all costs, charges, liabilities and expenses which may be incurred by it in connection with such enforcement or appointment, including the cost of its managements' time and/or other internal resources, calculated using its normal hourly rates in force from time to time.
- (s) No provision of these presents shall require the Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation; or (ii) cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.
- (t) Unless notified to the contrary, the Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to subclause 12(p)) that no Notes of any Series are held by, for the benefit of, or on behalf of, the Issuer or any Subsidiary of the Issuer.
- (u) The Trustee shall have no responsibility whatsoever to the Issuer, any Noteholder or Couponholder or any other person for the maintenance of or failure to maintain any rating of any of the Notes by any rating agency.
- (v) Any certificate or report of the independent auditors of the Issuer or any other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these presents may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of such auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.
- (w) The Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in these presents, or any other agreement or document relating to the transactions contemplated in these presents or under such other agreement or document.
- (x) The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating or expressed to be supplemental thereto.

- (y) The Trustee as between itself and the Noteholders and Couponholders may determine all questions and doubts arising in relation to any of the provisions of these presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Noteholders and Couponholders.
- (z) The Trustee may call for and shall rely on any records, certificate or other document of or to be issued by Euroclear or Clearstream, Luxembourg in relation to any determination of the principal amount of Notes represented by a NGN. Any such records, certificate or other document shall be conclusive and binding for all purposes. The Trustees shall not be liable to any person by reason of having accepted as valid or not having rejected any such records, certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg, and subsequently found to be forged or not authentic.
- (aa) When determining whether an indemnity or any security is satisfactory to it, the Trustee shall be entitled to evaluate its risk in given circumstances by considering the worst-case scenario and, for this purpose, it may take into account, without limitation, the potential costs of defending or commencing proceedings in England or elsewhere and the risk however remote, of any award of damages against it in England or elsewhere.
- (bb) The Trustee shall be entitled to require that any indemnity, security or pre-funding given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.
- (cc) The Trustee shall be entitled to deduct any applicable FATCA Withholding Tax and shall have no obligation to gross-up any payment hereunder or pay any additional amount as a result of such applicable FATCA Withholding Tax.

15. TRUSTEE'S LIABILITY

- 15.1 Nothing in these presents contained shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of these presents conferring on it any powers, authorities or discretions exempt the Trustee from or indemnify it against any liability for gross negligence, wilful misconduct or fraud.
- 15.2 Notwithstanding any provision of these presents to the contrary, neither party shall in any event be liable for:
 - (a) loss of profit, loss of business, loss of goodwill, loss of opportunity, whether direct or indirect; and
 - (b) special, indirect, punitive or consequential loss or damage of any kind whatsoever,

whether or not foreseeable, whether or not the relevant party can reasonably be regarded as having assumed responsibility at the time this Trust Deed is entered into, even if the relevant party has been advised of the likelihood of such loss or damage, unless the claim for loss or damage is made in respect of fraud on the part of the relevant party.

16. DELEGATION OF TRUSTEE'S POWERS

The Trustee may whenever the Trustee thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or

not) all or any of the trusts, powers and authorities vested in the Trustee by these presents and such delegation may be made upon such terms and subject to such conditions including power to sub-delegate and subject to such regulations as the Trustee may in the interests of the Noteholders think fit and provided the Trustee shall have exercised due care in the selection of any such delegate the Trustee shall not be bound to supervise the proceedings or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time prior to any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.

17. EMPLOYMENT OF AGENT/CUSTODIAN/NOMINEE BY TRUSTEE

- 17.1 The Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent whether being a lawyer or other professional person to transact or concur in transacting any business and to do or concur in doing all acts required to be done in connection with the trusts of these presents and provided the Trustee shall have exercised due care in the selection of any such agent the Trustee shall not in any way be responsible for any loss incurred by reason of any misconduct or default on the part of any such agent appointed by it under these presents or be bound to supervise the proceedings or acts of any such agent.
- 17.2 The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by these presents as the Trustee may determine, including for the purpose of depositing with a custodian these presents or any document relating to the trusts constituted by these presents and the Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer.
- 17.3 Any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.

18. TRUSTEE CONTRACTING WITH THE ISSUER OR A SUBSIDIARY OF THE ISSUER

Neither the Trustee nor any director or officer of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer including without prejudice to the generality of this provision any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities to or the purchase, placing or underwriting of or subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with the Notes or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of the Issuer or any person or body corporate associated as aforesaid or from accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer or any such person or body corporate so associated or any other office of profit under the Issuer or any such person or body corporate so associated and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other benefit received thereby or in connection therewith.

19. WAIVER; AUTHORISATION; DETERMINATION

The Trustee may, without prejudice to its rights in respect of any subsequent breach, Event of Default, or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, on such terms and subject to such conditions as to it shall seem fit and proper, waive or authorise any breach, continuing breach or proposed breach by the Issuer of any of the covenants or provisions contained in these presents or determine that any Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 9.1 would constitute an Event of Default shall not be treated as such for the purposes of these presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or under Condition 9.1 but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

20. MODIFICATION

The Trustee may without the consent of the Noteholders or Couponholders at any time and from time to time concur with the Issuer in making any modification (i) to these presents (including but not limited to the proviso to paragraph 5 of Schedule 3 or any provision of these presents referred to in that proviso) which in the opinion of the Trustee it may be proper to make PROVIDED THAT the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (ii) to these presents if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error. In addition, 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 4.3(c) without the consent of the Noteholders or Couponholders. Any such modification shall be binding upon the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

21. HOLDER OF DEFINITIVE NOTE ASSUMED TO BE COUPONHOLDER AND TALONHOLDER

Wherever in these presents the Trustee is required or entitled to exercise a power, trust, authority or discretion under these presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Noteholder is the holder of all Coupons and Talons appertaining to each Definitive Note of which he is the holder.

22. NO NOTICE TO COUPONHOLDERS

22.1 Neither the Trustee nor the Issuer shall be required to give any notice to the Couponholders for any purpose under these presents and the Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with Condition 13.

22.2 The Issuer, the Trustee and the Paying Agents may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Note and the holder of any Coupon as the absolute owner of such Note or Coupon, as the case may be, for all purposes (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, any notice of loss or theft thereof or any writing thereon), and the Issuer, the Trustee

and the Paying Agents shall not be affected by any notice to the contrary. All payments made to any such holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable in respect of such Note or Coupon, as the case may be.

23. SUBSTITUTION

23.1 The Trustee shall have power, without the consent of the Noteholders or Couponholders, at any time to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Clause) as the principal debtor under these presents of a successor in business or a Holding Company of the Issuer or a Subsidiary of such Holding Company (such substituted company being in each case hereinafter called the **Substituted Company**) PROVIDED THAT:

- (a) a trust deed is executed or some other form of undertaking is given by the Substituted Company in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the Substituted Company had been named in these presents and on the Notes and the Coupons as the principal debtor in place of the Issuer (or of any previous substitute under this Clause);
- (b) (without prejudice to the generality of paragraph (a) hereof) where the Substituted Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than the United Kingdom, undertakings or covenants shall be given in terms corresponding to the provisions of Condition 7 with the substitution for the references to the United Kingdom of references to the territory in which the Substituted Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and Condition 6.2 shall be modified accordingly;
- (c) (except where the Substituted Company is the successor in business of the Issuer) an unconditional and irrevocable guarantee is given by the Issuer to the Trustee, in the form set out in Schedule 4 (or with such modifications thereto as the Issuer and Trustee may agree) of the payment of all moneys payable by the Substituted Company under these presents;
- (d) if the directors of the Substituted Company or any authorised representative thereof shall certify that the Substituted Company is solvent at the time at which the said substitution is proposed to be effected the Trustee may rely absolutely on such certification and shall not be bound to have regard to the financial condition, profits or prospects of the Substituted Company or to compare the same with those of the Issuer; and
- (e) without prejudice to the rights of reliance of the Trustee under the immediately preceding paragraph (d), the Trustee is satisfied that the said substitution is not materially prejudicial to the interests of the Noteholders.

23.2 The Trustee shall, without the consent of the Noteholders or Couponholders, at any time agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Clause) as the principal debtor under these presents of a successor in business or a Holding Company of the Issuer or a Subsidiary of such Holding Company (such substituted company being in each case hereinafter called the **Substituted Company**) if:

- (a) a trust deed is executed or some other form of undertaking is given by the Substituted Company in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the Substituted Company had been named in these presents and on the Notes and the Coupons as the principal debtor in place of the Issuer (or of any previous substitute under this Clause);

- (b) (without prejudice to the generality of paragraph (a) hereof) where the Substituted Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than the United Kingdom, undertakings or covenants shall be given in terms corresponding to the provisions of Condition 6 with the substitution for the references to the United Kingdom of references to the territory in which the Substituted Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and Condition 6.2 shall be modified accordingly;
- (c) (except where the Substituted Company is the successor in business of the Issuer) an unconditional and irrevocable guarantee is given by the Issuer to the Trustee, in a form and manner satisfactory to the Trustee, of the payment of all moneys payable by the Substituted Company under these presents;
- (d) two directors of the Issuer certify to the Trustee that, in their opinion, the substitution will not be materially prejudicial to the interests of the Noteholders and will not have any adverse effect on the payment in a timely manner of all moneys payable under these presents;
- (e) the Trustee receives confirmations from each rating agency which has, at the request of the Issuer, rated the Notes that the substitution will not adversely affect the then current rating of the Notes;
- (f) (an) opinion(s) of independent legal advisors of recognised standing in a form reasonably satisfactory to the Trustee is/are provided to the Trustee as to the validity and enforceability and binding nature under English law and any other relevant jurisdiction of the Substituted Company's obligations under the trust deed or other undertaking given under (a) above and (where applicable) of the Issuer's obligations under its guarantee under (c) above and as to other customary matters and subject to customary assumptions and reservations; and
- (g) the directors of the Substituted Company or any authorised representative thereof shall certify that the Substituted Company is solvent at the time at which the said substitution is proposed to be effected (in which event the Trustee may rely absolutely on such certification and shall not be bound to have regard to the financial condition, profits or prospects of the Substituted Company or to compare the same with those of the Issuer);

23.3 Any such trust deed or undertaking as provided in subclause 23.1 and 23.2 above shall, if so expressed, operate to release the Issuer or any such previous substitute as aforesaid from any or all of its obligations under these presents. Not later than 14 days after the execution of any such documents as aforesaid and after compliance with the said requirements of the Trustee, the Issuer shall give notice thereof in a form previously approved by the Trustee to the Noteholders in the manner provided in Condition 13. Upon the execution of such documents and compliance with the said requirements, the Substituted Company shall be deemed to be named in these presents as the principal debtor in place of the Issuer (or in place of any previous substitute under this Clause) under these presents and these presents shall be deemed to be amended in such manner as shall be necessary to give effect to the above provisions and, without prejudice to the generality of the foregoing, references in these presents to the Issuer shall, where the context so requires, be deemed to be or include references to the Substituted Company.

23.4 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or

otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to these presents.

24. CURRENCY INDEMNITY

The Issuer shall indemnify the Trustee, the Noteholders and the Couponholders and keep them indemnified against:

- (a) any loss or damage incurred by any of them arising from the non-payment by the Issuer of any amount due to the Trustee or the Noteholders or Couponholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the Issuer; and
- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Issuer and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the Issuer separate and independent from its obligations under the other provisions of these presents and shall apply irrespective of any indulgence granted by the Trustee or the Noteholders or the Couponholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and Couponholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator.

25. NEW TRUSTEE; SEPARATE AND CO-TRUSTEES

- 25.1 The power to appoint a new trustee of these presents shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents PROVIDED THAT a Trust Corporation shall be included in such majority.
- 25.2 Notwithstanding the provisions of subclause 25.1 of this Clause, the Trustee may, upon giving prior notice to the Issuer (but without the consent of the Issuer or the Noteholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee (a) if the Trustee considers such appointment to be in the interests of the Noteholders or (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed or (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of

these presents against the Issuer. The Issuer hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses properly incurred by it in performing its function as such separate trustee or co-trustee shall for the purposes of these presents be treated as costs, charges and expenses incurred by the Trustee.

- 25.3 Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuer to the Agent and the Noteholders.

26. TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuer without assigning any reason and without being responsible for any costs occasioned by such retirement. The Noteholders shall have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being of these presents. The Issuer undertakes that in the event of the only trustee hereof which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution they will use all reasonable endeavours to procure a new trustee of these presents being a Trust Corporation to be appointed. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed.

27. TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Trustee by the general law or as a holder of any of the Notes or Coupons.

28. NOTICES

Any notice or demand to the Issuer or the Trustee required to be given, made or served for any purposes under these presents shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), by email or facsimile or by delivering it by hand as follows:

to the Issuer: 81 Newgate Street
London EC1A 7AJ
England

(Attention: Treasurer BT Group)
Email: derivatives@bt.com

to the Trustee: Fifth Floor
100 Wood Street
London
EC2V 7EX

(Attention: the Manager, Commercial Trusts)

Facsimile No: 0207 606 0643
Email: trust.support@lawdeb.com

or to such other address, email address or facsimile number as shall have been notified (in accordance with this Clause) to the other party hereto and:

- (i) any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served upon receipt;
- (ii) any notice or demand sent by facsimile as aforesaid shall be deemed to have been given, made or served upon receipt provided that in the case of a notice or demand sent by facsimile such notice or demand shall forthwith be confirmed by post; or
- (iii) any notice or demand sent by email as aforesaid shall be deemed to have been given, made or served when received as evidenced by written confirmation of receipt from the intended recipient (for the avoidance of doubt an automatically generated "received" or "read" receipt will not constitute written confirmation), provided that any email which is received (or deemed to take effect in accordance with the foregoing) after 5:00 p.m. on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place.

The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand sent by facsimile or email.

29. COUNTERPARTS

This Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart.

30. RIGHTS OF THIRD PARTIES

A person who is not a party to this Trust Deed or any trust deed supplemental hereto has no right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed or any trust deed Supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

31. GOVERNING LAW

These presents, and any non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law.

IN WITNESS whereof this Trust Deed has been executed by the Issuer and the Trustee and entered into the day and year first above written.

SCHEDULE 1

TERMS AND CONDITIONS OF THE NOTES

This Note is one of a Series (as defined below) of Notes issued by British Telecommunications public limited company (the **Issuer**) constituted by a Trust Deed dated 12 December 1997 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement dated 12 December 1997 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

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

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer being 81 Newgate Street, London EC1A 7AJ and

are expected to be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

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

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denomination(s) (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Notes issued under this Programme which require the publication of a prospectus under the Prospectus Directive 2003/71/EC (as amended or superseded), and any relevant implementing measure in the relevant Member State of the European Economic Area, are required to have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note may be a Note bearing interest on a fixed rate basis (**Fixed Rate Note**), a Note bearing interest on a floating rate basis (**Floating Rate Note**), a Note issued on a non-interest bearing basis (**Zero Coupon Note**) or a combination of any of the foregoing, depending upon the interest basis specified in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes are represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance

with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. NEGATIVE PLEDGE

If Negative Pledge is specified in the applicable Final Terms, then so long as any of the Notes is outstanding (as defined in the Trust Deed), the Issuer shall not, and shall cause the Subsidiaries not to, directly or indirectly, create, assume or incur or permit to be created, assumed or incurred, any Lien on or with respect to any of the assets of the Issuer or any of the Subsidiaries whether now or hereafter owned, to secure any present or future Capital Markets Indebtedness issued or guaranteed by the Issuer or any other Person without at the same time according to the Notes, to the satisfaction of the Trustee, the same security or such other arrangement (whether or not comprising security) as the Trustee shall, in its absolute discretion, deem not materially less beneficial to the Noteholders, or as shall have been approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Save as provided below, in these Conditions:

Capital Markets Indebtedness means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, a certificate of indebtedness or in the form of, or represented or evidenced by, bonds, notes or other securities which are, or which the Issuer has publicly declared that it intends to have, quoted, listed, dealt in or traded on a stock exchange or other recognised securities market;

Lien means any mortgage, pledge, hypothecation, charge, assignment, deposit arrangement, encumbrance, security interest, lien (statutory or otherwise), or preference, priority or other security or similar agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any agreement to give or grant a Lien or any lease, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing);

Person means any individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof; and

Subsidiary means, for the purpose of this Condition 3 only, (i) a corporation more than 50 per cent. of the outstanding voting shares of which is owned, directly or indirectly, by the Issuer, or by one or more other Subsidiaries of the Issuer, or by the Issuer and one or more other Subsidiaries of the

Issuer; (ii) any general partnership, joint venture or similar entity, at least 50 per cent. of the outstanding partnership or similar interest of which is owned, directly or indirectly, by the Issuer, or by one or more other Subsidiaries of the Issuer, or by the Issuer and one or more other Subsidiaries of the Issuer; and (iii) any limited partnership of which the Issuer or any other Subsidiary of the Issuer is a general partner.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, or if the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) applies in the case of Notes represented by a Global Note, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Unless specified otherwise in the applicable Final Terms, the **Following Business Day Convention** will apply to the payment of all Fixed Rate Notes, meaning that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4.2(a) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due. If the **Modified Following Business Day Convention** is specified in the applicable Final Terms for any Fixed Rate Note, it shall mean that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4.2(a) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due unless it would thereby fall into the next calendar month in which event the full amount of payment shall be made on the immediately preceding Business Day as if made on the day such payment was due. Unless specified otherwise in the applicable Final Terms, the amount of interest due shall not be changed if payment is made on a day other than an Interest Payment Date or the Maturity Date as a result of the application of a Business Day Convention specified above or other Business Day Convention specified in the applicable Final Terms.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation

Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time

Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the rate or offered quotation (if there is only one rate or offered quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any). If, in the case of (B) above, five or more of such rates or offered quotations are available on the Relevant Screen Page, the

highest (or, if there is more than one such highest rate or offered quotation, one only of such rates or offered quotations) and the lowest (or, if there is more than one such lowest rate or offered quotation, one only of such rates or offered quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such rates or offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such rate or offered quotation appears or, in the case of (B) above, fewer than three of such rates or offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent shall request the principal London office of each of the Reference Banks to provide the Agent with its rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) for deposits in the Specified Currency for that Interest Period, at approximately the Specified Time, on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such rates or offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such rates or offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such rates or offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or quotations, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time, on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such rates or offered quotations, the rate or quotation offered for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the rates or offered quotations for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, which, at approximately the Specified Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be that determined as at the Interest Determination Date for the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

As used in this Condition 4.2(b)(ii)(B):

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-

zone inter-bank market, in each case selected by the Issuer and/or Agent or as specified in the applicable Final Terms; and

Specified Time means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR).

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

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

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

(vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period or Specified Period in the applicable Final Terms, the Rate of Interest for such Interest Period or Specified Period shall be calculated by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity (as defined below) were the period of time for which rates are available next shorter than the length of the relevant Interest Period or Specified Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period or Specified Period, provided however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) shall determine such rate at such time and by reference to such sources as the Issuer shall determine as appropriate for such purposes. For the purposes of this paragraph, the expression **Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period or Specified Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and the London Stock Exchange on which the relevant Floating Rate Notes are for the time being admitted to trading and notice thereof to be published in accordance with Condition 13 as soon as

possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period or Specified Period. Any such amendment will promptly be notified to the London Stock Exchange on which the relevant Floating Rate Notes are for the time being admitted to trading and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Determination or Calculation by Calculation Agent

If for any reason at any relevant time the Agent defaults in its obligation to determine the Rate of Interest or to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above as the case may be, and in each case in accordance with paragraph (d) and/or (e) above, the Issuer shall appoint a calculation agent (which shall be an investment bank or other suitable financial services entity of international repute, and any fees, costs and expenses in relation thereto shall be met by the Issuer) to determine such Rate of Interest at such rate as, in the calculation agent's absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the calculation agent shall calculate the Interest Amount(s) in such manner as the calculation agent shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent or such other Calculation Agent, the other Paying Agents, the Trustee, the Noteholders and the Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Trustee, the Noteholders or the Couponholders shall attach to the Agent or such other Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Benchmark Discontinuation

Notwithstanding the provisions in Condition 4.2 above, if the Issuer, in consultation with the Agent, determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions of this Condition 4.3 shall apply.

(a) Successor Rate or Alternative Rate

If there is a Successor Rate, then the Issuer shall promptly notify the Agent (or such other Calculation Agent specified in the applicable Final Terms), the Trustee and, in accordance with Condition 13, the Noteholders of such Successor Rate and that Successor Rate shall (subject to adjustment as provided in Condition 4.3(b)) subsequently be used by the Agent (or such other Calculation Agent specified in the applicable Final Terms) in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.3).

If there is no Successor Rate but the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Alternative Rate, then the Issuer shall promptly notify the Agent (or such other Calculation Agent specified in the applicable Final Terms), the Trustee and, in accordance with Condition 13, the Noteholders of such Alternative Rate and that Alternative Rate shall (subject to adjustment as provided in Condition 4.3(b)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.3).

(b) Adjustment Spread

If, in the case of a Successor Rate, an Adjustment Spread is formally recommended, or formally provided as an option by any Relevant Nominating Body to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, then the Issuer shall promptly notify the Agent (or such other Calculation Agent specified in the applicable Final Terms), the Trustee and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Agent (or such other Calculation Agent specified in the applicable Final Terms) shall apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate.

If, in the case of a Successor Rate where no such Adjustment Spread is formally recommended or formally provided as an option by any Relevant Nominating Body to adopt, or in the case of an Alternative Rate, the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for 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), then the Issuer shall promptly notify the Agent (or such other Calculation Agent specified in the applicable Final Terms), the Trustee and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Agent (or such other Calculation Agent specified in the applicable Final Terms) shall apply such Adjustment Spread to the Successor Rate and the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If no such recommendation or option has been made (or made available) by any Relevant Nominating Body, or the Issuer so determines that there is no such Adjustment Spread in customary market usage in the international debt capital markets and the Issuer further determines, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Adjustment Spread shall be:

- (i) the Adjustment Spread determined by the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, as being the Adjustment Spread 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); or
- (ii) if there is no such industry standard recognised or acknowledged, such Adjustment Spread as the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, determines to be appropriate.

Following any such determination of the Adjustment Spread, the Issuer shall promptly notify the Agent (or such other Calculation Agent specified in the applicable Final Terms), the Trustee and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Agent (or such other Calculation Agent specified in the applicable Final Terms) shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.3 and the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its discretion (A) that amendments to these Terms and Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “Benchmark Amendments”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to the Issuer having to give notice thereof to the Trustee and the Noteholders in accordance with Condition 13, without any requirement for the consent or approval of Noteholders or the Couponholders, modify these Terms and Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Prior to any such Benchmark Amendments taking effect, the Issuer shall provide a certificate signed by two Directors to the Trustee confirming, in the Issuer's reasonable opinion (following consultation with the Independent Adviser), (i) that a Benchmark Event has occurred, (ii) the Successor Rate or Alternative Reference Rate (as applicable), (iii) where applicable, any Adjustment Spread and (iv) where applicable, the terms of any Benchmark Amendments in each case determined in accordance with this Condition 4 that such Benchmark Amendments are necessary to give effect to any application of this Condition 4 and the Trustee shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Noteholders, the Couponholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. The Successor Rate or Alternative Reference Rate (as applicable) or where applicable, any Adjustment Spread and any Benchmark Amendments and without prejudice to the Trustee's ability to rely on such certificate (as aforesaid) will be binding on the Issuer, the Trustee, the Agent (or such other Calculation Agent specified in the applicable Final Terms) the other Paying Agents, the Noteholders and the Couponholders.

The Trustee shall, at the direction and expense of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Directors (as aforesaid), be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and, if required, the Agency Agreement), provided that the Trustee shall not be required to effect any Benchmark Amendments if the same would impose, in the Trustee's sole opinion, more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it. For the avoidance of doubt, no Noteholder or Couponholder consent shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or the Trustee (if required).

In connection with any such modifications in accordance with this Condition 4.3(c), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any Benchmark Amendments determined under this Condition 4.3(c) shall be notified promptly by the Issuer to the Agent (or such other Calculation Agent specified in the applicable Final Terms), the Trustee and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments.

(d) Independent Adviser

In the event the Issuer is to consult with an Independent Adviser in connection with any determination to be made by the Issuer pursuant to this Condition 4.3, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 4.3 shall act in good faith, in a commercially reasonable manner and (in the absence of fraud or wilful default) shall have no liability whatsoever to the Issuer or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.3 or otherwise in connection with the Notes.

If the Issuer is in any doubt as to whether there is an Alternative Rate and/or any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of an Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud or wilful default) the Issuer shall have no liability whatsoever to the Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination.

No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

(e) Survival of Original Reference Rate Provisions

Without prejudice to the obligations of the Issuer under this Condition 4.3, the Original Reference Rate and the fallback provisions provided for in Condition 4.2 and the applicable Final Terms will continue to apply unless and until the Issuer has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 4.3.

(f) Definitions

In this Condition 4.3:

Adjustment Spread means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive or negative and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with 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 this Condition 4.3 is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

Benchmark Event means:

- (i) the Original Reference Rate ceasing to exist or be published;
- (ii) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, 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) and (ii) the date falling six months prior to such specified date;
- (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 permanently or indefinitely discontinued or is prohibited from being used or that its use is subject to restrictions or adverse consequences or, where such discontinuation, prohibition, restrictions or adverse consequences are to apply from a specified date after the making of any public statement to such effect, the later of the date of the making of such public statement and the date falling six months prior to such specified date; or
- (iv) it has or will prior to the next Interest Determination Date become unlawful for the Agent, any Calculation Agent, any Paying Agent or the Issuer to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) No. 2016/1011, if applicable);

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

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part(s) thereof) in respect of the Notes;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); 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 benchmark or screen rate (as applicable) relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof; and

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

4.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is

improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

4.5 Adjustment of Rate of Interest for Fixed Rate Notes and Floating Rate Notes

If Step Up Rating Change and/or Step Down Rating Change is specified in the applicable Final Terms, the following terms relating to the Rate of Interest for the Notes shall apply:

- (a) The Rate of Interest payable on the Notes will be subject to adjustment in the event of a Step Up Rating Change or a Step Down Rating Change, as the case may be.
- (b) Subject to paragraphs (d) and (g) below, from and including the first Interest Payment Date following the date of a Step Up Rating Change, if any, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) shall be increased by the Step Up Margin specified in the applicable Final Terms.
- (c) Subject to paragraphs (d) and (g) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date following the date of such Step Down Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) shall be decreased by the Step Up Margin back to the initial Rate of Interest (in the case of Fixed Rate Notes) or the initial Margin (in the case of Floating Rate Notes).
- (d) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period (in the case of Fixed Rate Notes) or the same Interest Period/Specified Period (in the case of Floating Rate Notes), the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) shall be neither increased nor decreased as a result of either such event.
- (e) The Issuer shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from the Rating Agencies. If, notwithstanding such reasonable efforts, any Rating Agency fails or ceases to assign a credit rating to the Issuer's senior unsecured long-term debt, the Issuer shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a substitute rating agency that shall be a Statistical Rating Agency, and references in this Condition to Moody's, Standard & Poor's or Fitch, as the case may be, or the credit ratings thereof, shall be to such substitute rating agency or, as the case may be, the equivalent credit ratings thereof.
- (f) The Issuer will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change giving rise to an adjustment to the Rate of Interest payable on the Notes pursuant to this Condition to be notified to the Trustee and the Principal Paying Agent and notice thereof to be published in accordance with Condition 13 as soon as reasonably practicable after the occurrence of such Step Up Rating Change or Step Down Rating Change, but in no event later than the fifth London Business Day thereafter.

- (g) Only the first Step Up Rating Change (if any) and the first Step Down Rating Change (if any) shall give rise to an adjustment to the Rate of Interest payable on the Notes.

In these Conditions:

Fitch means Fitch Ratings Limited or any other entity that is part of the group to which Fitch Ratings Limited or its successor belongs;

Moody's means Moody's Investors Service Ltd. or any other entity that is part of the group to which Moody's Investors Service Inc. or its successor belongs;

Rating Agency means any of Fitch, Moody's or Standard & Poor's and **Rating Agencies** means all of them;

Standard & Poor's means S&P Global Ratings, acting through S&P Global Ratings Europe Limited, UK Branch or any entity that is part of the group to which S&P Global Ratings Europe Limited, UK Branch or its successor belongs;

Statistical Rating Agency means a rating agency approved by the Trustee, such approval not to be unreasonably withheld;

Step Down Rating Change means the public announcement by all of the Rating Agencies, after a Step Up Rating Change, that the credit rating of the Issuer's senior unsecured long-term debt is at least Baa3 in the case of Moody's and is at least BBB in the case of Standard & Poor's and Fitch. For the avoidance of doubt, any further increase in the credit rating of the Issuer's senior unsecured long-term debt above Baa3 in the case of Moody's or above BBB in the case of Standard & Poor's or Fitch shall not constitute a Step Down Rating Change; and

Step Up Rating Change means the first public announcement by any or all of the Rating Agencies of a decrease in the credit rating of the Issuer's senior unsecured long-term debt to below Baa3 in the case of Moody's or below BBB in the case of Standard & Poor's or Fitch. For the avoidance of doubt, any further decrease in the credit rating of the Issuer's senior unsecured long-term debt from below Baa3 in the case of Moody's or from below BBB in the case of Standard & Poor's or Fitch shall not constitute a Step Up Rating Change.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States.

Except in the case of a New Global Note, a record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of

interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

In the case of a New Global Note, the Issuer shall procure that details of payment of principal and interest (if any) in respect of any Global Note, shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by such Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) any Additional Financial Centre specified in the applicable Final Terms; and

- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date, each as specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.6, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in

Condition 7) or any change in the application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than 15 nor more than 30 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date (that is, if the Issuer Maturity Par Call is specified to be applicable in the applicable Final Terms, more than 90 days prior to the Maturity Date) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together (if appropriate) with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If Spens Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Financial Adviser.

If Make-Whole Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount calculated by the Calculation Agent equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 6.3:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means a financial adviser selected by the Issuer;

Gross Redemption Yield means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts”; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998, as supplemented, amended, updated or replaced from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or the FA Selected Bond;

Reference Bond Price means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

Reference Date will be set out in the relevant notice of redemption;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Agent by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 6.3.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Calculation Agent,

shall (in the absence of negligence, wilful default or bad faith) be binding on the Issuer, the Calculation Agent and the Trustee, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

6.4 Redemption at the option of the Issuer (Issuer Maturity Par Call)

If Issuer Maturity Par Call is specified in the applicable Final Terms, the Issuer may, having given not less than 15 nor more than 30 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time during the period commencing on (and including) the day that is 90 days (or such other number of days as is specified in the applicable Final Terms) prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.5 Redemption at the option of the Noteholders (Investor Put)

- (a) If General Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving notice to the Issuer in accordance with Condition 13 within the period of not less than 15 nor more than 30 days before the Optional Redemption Date or such other period as specified in the applicable Final Terms (the **Notice Period**) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together (if appropriate) with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the Notice Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the Notice Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to

Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4(a) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.5(a).

- (b) If Change of Control Investor Put is specified in the applicable Final Terms, the holder of each Note will have the option (a **Put Option**) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6.2 or 6.3) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at the Optional Redemption Amount together with interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event (as defined below) has occurred the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period of 45 days or such other period as specified in the applicable Final Terms (the **Put Period**) after a Put Event Notice is given, such Note and a duly completed and signed Put Notice (as defined in Condition 6.5(a)) in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the **Optional Redemption Date**), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed by the Paying Agent to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 10) at any time after such payment, but before the expiry of the period of ten years from the date on which such Coupon would have become due, but not thereafter.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Put Option the holder of this Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time

and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered or, in the case of a Note held through Euroclear and/or Clearstream, Luxembourg, notice received. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, on or after the Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. For the purposes of these Conditions, receipts issued pursuant to this Condition 6.5(b) shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the Notes in respect of which the Put Option has been validly exercised in accordance with the provisions of this Condition 6.5(b) on the Optional Redemption Date unless previously redeemed (or purchased) and cancelled.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4(b) shall be irrevocable except where, prior to the Optional Redemption Date, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice given pursuant to this Condition 6.5(b).

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6.5(b), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Optional Redemption Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any of Moody's, Fitch or Standard & Poor's are changed from those which are described in paragraph (ii) of the definition of "Put Event" below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of Moody's, Fitch or Standard & Poor's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or Standard & Poor's and this Condition 6.5(b) shall be construed accordingly.

The Trustee is under no obligation to ascertain whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred, or to seek any confirmation from any Rating Agency pursuant to the definition of Negative Rating Event below, and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or other such event has occurred.

In this Condition:

a **Put Event** will be deemed to occur if a Change of Control has occurred and:

- (i) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of

the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from any Rating Agency (as defined below):

- (A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Bal/BB+, or equivalent, or worse) (a **Non-Investment Grade Rating**) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
- (B) a Non-Investment Grade Rating and such rating from any Rating Agency is, within the Change of Control Period, either downgraded by one or more notches (by way of example, Baa1 to Baa2 being one notch) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
- (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if at the time of the occurrence of the Change of Control the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (A) will apply; and

- (ii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (A) and (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement;

a Change of Control will be deemed to have occurred if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of any direct or indirect holding company of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; or
- (ii) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of any direct or indirect holding company of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of any direct or indirect holding company of the Issuer or (B) shares in the capital of any direct or indirect holding company of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of any such direct or indirect holding company of the Issuer;

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **Negative Rating Event** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period; and

Substitute Rating Agency means any rating agency substituted for any of the Rating Agencies by the Issuer from time to time with the prior written approval of the Trustee; and

Relevant Potential Change of Control Announcement means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

6.6 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (b) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date for the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to

(but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 365).

6.7 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.7 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3, 6.4 or 6.5 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment by or on behalf of a holder who (i) could avoid such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority, or (ii) is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5); or
- (c) where such withholding or deduction is required pursuant to an agreement described in section 1471(b) of the Code, or is otherwise imposed pursuant to sections 1471 through 1474 of the Code and any regulations, agreements or undertakings thereunder or official interpretations thereof or similar law implementing an intergovernmental approach thereto.

As used herein:

- (i) **Code** means United States Internal Revenue Code of 1986, as amended;
- (ii) **Tax Jurisdiction** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and
- (iii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT AND ENFORCEMENT

9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur:

- (a) default is made for a period of 28 days or more in the payment in the Specified Currency of any interest, or for a period of 14 days or more in the payment in the Specified Currency of principal, due in respect of the Notes; or
- (b) there is a failure in the performance of any obligation under the Notes or the Trust Deed other than an obligation to make payment of principal or interest thereunder:
 - (i) which in the opinion of the Trustee is incapable of remedy; or
 - (ii) which, being in the opinion of the Trustee capable of remedy, continues for more than 90 days after written notification requiring such failure to be remedied shall have been given to the Issuer by the Trustee; or
- (c) except for the purpose of a reconstruction or an amalgamation the terms of which have previously been approved in writing by the Trustee or for the purposes of a

consolidation or merger or conveyance, transfer or lease permitted by Condition 14, an order is made (and not discharged or stayed within a period of 90 days) or an effective resolution is passed for winding-up the Issuer or an administration order is made in relation to the Issuer; or

- (d) an administrative or other receiver is appointed of the whole or substantially the whole of the assets of the Issuer and is not removed, paid out or discharged within 90 days or, following such 90 day period, the appointment is not being disputed in good faith; or
- (e) the Issuer is unable to pay its debts or makes a general assignment for the benefit of its creditors; or
- (f) any loan or other indebtedness for borrowed money (as defined in the Trust Deed) of the Issuer (if applicable, translated into sterling), amounting in aggregate to not less than the higher of £25,000,000 and one per cent. of the Adjusted Share Capital and Reserves (as defined below), becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer fails to make any payment in respect thereof on the due date for such payment (as extended by any applicable grace period as originally provided) or the security for any such loan or other indebtedness for borrowed money becomes enforceable and steps are taken to enforce the same or default is made by the Issuer in making any payment due (if applicable, translated into sterling), amounting in aggregate to not less than the higher of £25,000,000 and one per cent. of the Adjusted Share Capital and Reserves, under any guarantee or indemnity given by it in respect of any loan or other indebtedness for borrowed money,

the Trustee may at its discretion, and if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of (b), (c), (d), (e) and (f) above only if it certifies that such event is, in its opinion, materially prejudicial to the interests of Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable each at their Early Redemption Amount (as described in Condition 6.6), plus accrued interest, if any (calculated as provided in the Trust Deed).

For the purposes of this Condition 9, **Adjusted Share Capital and Reserves** means at any time the aggregate of:

- (a) the amount paid up or credited as paid up on the share capital of the Issuer; and
- (b) the total of the capital, revaluation and revenue reserves of the Issuer and its Subsidiaries (as defined in the Trust Deed) taken as a whole (the **Group**), including any share premium account, capital redemption reserve and credit balance on the profit and loss account, sums set aside for taxation and amounts attributable to minority interests but deducting any debit balance on the profit and loss account and the cost of any shares of the Issuer held in an employee share ownership trust or otherwise held by a member of the Group,

all as shown in the then latest audited consolidated balance sheet of the Group prepared in accordance with generally accepted accounting principles in the United Kingdom, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Issuer since the date of that balance sheet and further adjusted as may be necessary to reflect any change since the date of that balance sheet in the Subsidiaries comprising the Group. A certificate of

the Issuer signed by two Directors (as defined in the Trust Deed) of the Issuer as to the amount of the Adjusted Share Capital and Reserves as at any specified date may, in the absence of manifest error, be relied upon by the Trustee and, if so relied upon, shall be conclusive and binding on the Issuer, the Noteholders and the Couponholders.

9.2 Enforcement

The Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer, except that if the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure shall be continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself take proceedings to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are admitted to trading on the regulated market of the London Stock Exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the London Stock Exchange; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of the London Stock Exchange or other relevant authority on which the Notes are for the time being admitted. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are admitted to trading on the regulated market of the London Stock Exchange and the rules of such stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary

Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by, or on behalf of, the holders of not less than 90 per cent. of the nominal amount of the Notes shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments without the consent of the Noteholders or Couponholders. Any such modification shall (unless the Trustee agrees otherwise) be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

If so requested by the Issuer, the Trustee shall, without the consent of the Noteholders, agree to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company, being a successor in business or a Holding Company (as defined in the Trust Deed) of the Issuer or a Subsidiary (as defined in the Trust Deed) of such Holding Company subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) certification to the Trustee by two directors of the Issuer that, in the opinion of the Issuer, the substitution will not be materially prejudicial to the interests of the Noteholders and will not have any adverse effect on the payment in a timely manner of all moneys payable under the Conditions and the Trust Deed, (c) confirmations being received by

the Trustee from each rating agency which has, at the request of the Issuer, rated the Notes that the substitution will not adversely affect the then current rating of the Notes, (d) an opinion of independent legal advisers of recognised standing being provided to the Trustee as further described in the Trust Deed and (e) certain other conditions set out in the Trust Deed being complied with.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, Coupons and the Trust Deed of another company, being a successor in business or a Holding Company (as defined in the Trust Deed) of the Issuer or a Subsidiary (as defined in the Trust Deed) of such Holding Company subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW

The Trust Deed, the Agency Agreement, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

SCHEDULE 2

FORMS OF GLOBAL AND DEFINITIVE NOTES, COUPONS AND TALONS

PART 1

FORM OF TEMPORARY GLOBAL NOTE

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

BRITISH TELECOMMUNICATIONS public limited company
(incorporated with limited liability under the Companies Acts 1948 to 1981)

TEMPORARY GLOBAL NOTE

This Note is a Temporary Global Note in respect of a duly authorised issue of Notes (the **Notes**) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is attached hereto, of British Telecommunications public limited company (the **Issuer**). References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as modified and supplemented by the Final Terms but, in the event of any conflict between the provisions of the Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions, a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 12 December 1997 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes and the Agency Agreement (as defined in the Conditions).

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note to or to the order of the Agent or any of the other paying agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes, but in each case subject to the requirements as to certification provided herein.

If the Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the

¹ Delete if the Notes have an initial maturity of 365 days or less.

bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note the Issuer shall procure that:

- (i) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or
- (ii) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation, the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make entries referred to above shall not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate of non-U.S. beneficial ownership in the form required by it. The bearer of this Global Note will not be entitled to receive any payment hereon due on or after the Exchange Date unless, upon due certification, exchange of this Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Global Note may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms, either (a) Definitive Notes and (if applicable) Coupons and Talons in or substantially in the forms set out in Parts 3, 4 and 5 of Schedule 2 to the Trust Deed or (b) either (if the Final Terms indicates that this Global Note is intended to be a New Global Note) interests recorded in the records of the relevant Clearing Systems in a Permanent Global Note or (if the Final Terms indicates that this Global Note is not intended to be a New Global Note) a Permanent Global Note, which, in either case, is in or substantially in the form set out in Part 2 of Schedule 2 to the Trust Deed (together with the Final Terms attached thereto) (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons and Talons and the Final Terms (or the relevant provisions of the Final Terms) have either been endorsed on or attached to such Definitive Notes) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Note and subject, in the case of Definitive Notes to such notice period as is specified in the Final Terms.

If Definitive Notes and (if applicable) Coupons and Talons have already been issued in exchange for all of the Notes represented for the time being by a Permanent Global Note, then this Global Note may only thereafter be exchanged for Definitive Notes and (if applicable) Coupons and Talons pursuant to the terms hereof. This Global Note may be exchanged by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for general business in London.

The Issuer shall procure that Definitive Notes or (as the case may be) the Permanent Global Note shall be issued and delivered and (in the case of the Permanent Global Note where the Final Terms indicates that this Global Note is intended to be a New Global Note) interests in the Permanent Global Note shall be recorded in the records of the relevant Clearing Systems in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate of non-U.S. beneficial ownership in the form required by it.

On an exchange of the whole of this Global Note, this Global Note shall be surrendered to or to the order of the Agent. The Issuer shall procure that:

- (i) if the Final Terms indicates that this Global Note is intended to be a New Global Note, on an exchange of the whole or part only of this Global Note, details of such exchange shall be entered *pro rata* in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged; or
- (ii) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, on an exchange of part only of this Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged. On any exchange of this Global Note for a Permanent Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Note and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Coupons and Talons (if any) in the form(s) set out in Part 3, Part 4 and Part 5 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this Global Note (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, for which purpose the bearer of this Global Note shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of this Global Note and the Trust Deed. In order to exercise any rights in their capacity as Noteholders, Accountholders must exercise such rights through Euroclear or Clearstream, Luxembourg, either against presentation of this Global Note to or to the order of the Agent and against its endorsement by or on behalf of the Agent to reflect the exercise of such rights or, at the option of the Agent, by the production to the Agent of an undertaking from Euroclear and/or Clearstream,

Luxembourg that they will not debit or transfer Notes from the account of that Accountholder until a certain time or date or before the occurrence of an identified condition precedent.

This Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

No rights are conferred on any person by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Agent and, if the Final Terms indicates that this Global Note is intended to be a New Global Note (i) which is intended to be held in a manner which would allow Eurosystem eligibility or (ii) in respect of which effectuation is to be applicable, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

IN WITNESS whereof the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

BRITISH TELECOMMUNICATIONS
public limited company

By:
Duly Authorised

Authenticated without recourse,
warranty or liability by
Citibank, N.A., London Branch,
as Agent

By
Authorised Signatory

*Effectuated without recourse,
warranty or liability by

as common safekeeper

By:.....

* This should only be completed where the Final Terms indicates that this Global Note is intended to be a New Global Note in respect of which effectuation is to be applicable.

PART 2

FORM OF PERMANENT GLOBAL NOTE

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

BRITISH TELECOMMUNICATIONS public limited company

(incorporated with limited liability under the Companies Acts 1948 to 1981)

PERMANENT GLOBAL NOTE

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes (the **Notes**) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the **Final Terms**), a copy of which is attached hereto, of British Telecommunications public limited company (the **Issuer**). References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as modified and supplemented by the Final Terms but, in the event of any conflict between the provisions of the Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions, a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 12 December 1997 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes and the Agency Agreement (as defined in the Conditions).

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note to or to the order of the Agent or any of the other paying agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes.

If the Final Terms indicates that this Global Note is intended to be a New Global Note, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression in this Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms indicates that this Global Note is not intended to be a New Global Note, the nominal amount of the Notes represented by this Global Note shall be the amount stated in the applicable Final Terms

¹ Delete if the Notes have an initial maturity of 365 days or less.

or, if lower, the nominal amount most recently entered by or on behalf of the Issuer in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note the Issuer shall procure that:

- (i) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of the relevant Clearing Systems, and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled; or
- (ii) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled.

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make entries referred to above shall not affect such discharge.

On any exchange of the Temporary Global Note for this Global Note or any part hereof, the Issuer shall procure that:

- (i) if the Final Terms indicates that this Global Note is intended to be a New Global Note, details of such exchange shall be entered in the records of the relevant Clearing Systems such that the nominal amount of Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged; or
- (ii) if the Final Terms indicates that this Global Note is not intended to be a New Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.

This Global Note may be exchanged (free of charge) in whole (but not in part) for Definitive Notes and (if applicable) Coupons and Talons in or substantially in the forms set out in Part 3, Part 4 and Part 5 of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Coupons and Talons and the Final Terms (or the relevant provisions of the Final Terms) have been either endorsed on or attached to such Definitive Notes) as specified in the applicable Final Terms, either:

- (a) upon not less than 60 days' written notice being given to the Agent by Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Note); or
- (b) only upon the occurrence of an Exchange Event.

An **Exchange Event** means that the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of

holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available.

If this Global Note is a Global Note in relation to which the Final Terms permit trading in the clearing systems in Tradeable Amounts (as specified in such Final Terms) which are not a Specified Denomination (as specified in such Final Terms), this Global Note will only be exchangeable for Definitive Notes and (if applicable) Coupons and Talons upon an Exchange Event.

If this Global Note is exchangeable following the occurrence of an Exchange Event:

- (i) the Issuer will promptly give notice to Noteholders in accordance with Condition 13 upon the occurrence of an Exchange Event; and
- (ii) in the event of an occurrence of an Exchange Event, the bearer of this Global Note (acting on the instructions of any holder of an interest in this Global Note) or the Trustee may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The first notice duly received by the Principal Paying Agent as provided in (ii) above shall give rise to the issue of Definitive Notes for the total amount of Notes represented by this Global Note.

Subject as aforesaid, such exchange will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above.

The aggregate nominal amount of Definitive Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note. On an exchange of this Global Note, this Global Note shall be surrendered to the Agent.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Coupons and Talons (if any) in the form(s) set out in Part 3, Part 4 and Part 5 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this Global Note (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, for which purpose the bearer of this Global Note shall be treated by the relevant Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of this Global Note and the Trust Deed. In order to exercise any rights in their capacity as Noteholders, Accountholders must exercise such rights through Euroclear or Clearstream, Luxembourg, either against presentation of this Global Note to or to the order of the Agent and against its endorsement by or on behalf of the Agent to reflect the exercise of such rights or, at the option of the Agent, by the production to the Agent of an undertaking from Euroclear and/or Clearstream, Luxembourg that they will not debit or transfer Notes from the account of that Accountholder until a certain time or date or before the occurrence of an identified condition precedent.

This Global Note, and any non-contractual obligations arising out of or in connection with it, are governed by, and shall be construed in accordance with, English law.

No rights are conferred on any person by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Agent and, if the Final Terms indicates that this Global Note is intended to be a New Global Note (i) which is intended to be held in a manner which would allow Eurosystem eligibility or (ii) in respect of which effectuation is to be applicable, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

IN WITNESS whereof the Issuer has caused this Global Note to be signed manually or in facsimile by a person duly authorised on its behalf.

BRITISH TELECOMMUNICATIONS
public limited company

By:
Duly Authorised

Authenticated without recourse,
warranty or liability by
Citibank, N.A., London Branch,
as Agent.

By:
Authorised Signatory

*Effectuated without recourse,
warranty or liability by

.....
as common safekeeper

By:.....

* This should only be completed where the Final Terms indicates that this Global Note is intended to be a New Global Note in respect of which effectuation is to be applicable.

PART 3

FORM OF DEFINITIVE NOTE

[Denomination] [ISIN] [SERIES] [CERTIFICATE No.]

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]¹

BRITISH TELECOMMUNICATIONS public limited company
(incorporated with limited liability under the Companies Acts 1948 to 1981)

[Specified Currency and Nominal Amount of Tranche]

NOTES DUE

[Year of Maturity]

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each (**Notes**) of British Telecommunications public limited company (the **Issuer**). References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon]/[set out in Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out hereon] as modified and supplemented by the Final Terms (or the relevant provisions of the Final Terms) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions, a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 12 December 1997 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of the Notes and the Agency Agreement (as defined in the Conditions).

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on the Maturity Date or on such earlier date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of this Note on each such date and to pay interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by Citibank, N.A., London Branch, as Agent.

No rights are conferred on any person by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof this Note has been executed on behalf of the Issuer.

BRITISH TELECOMMUNICATIONS public limited company

¹ Delete if the Notes have an initial maturity of 365 days or less.

By:
Director

By:
Director

Certificate of Authentication

This is one of the Notes referred to in, and entitled to the benefits of, the above-mentioned Trust Deed.

By:
Authorised officer
for Citibank, N.A., London Branch,
as agent

Dated as of []
Issued in London, England.

[Conditions]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

Final Terms

[Here to be set out the text of the Final Terms
(or the relevant provisions thereof)]

PART 4
FORM OF COUPON

On the front:

BRITISH TELECOMMUNICATIONS public limited company

[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]

Series No. []

¹[Coupon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].

Part A

[For Fixed Rate Notes:

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes. Coupon for [] due on [], []

Part B

[For Floating Rate Notes or Index Linked Interest Notes:

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in [] []/[]]. Coupon due [in []/on []]

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]²

¹ Delete where the Notes are all of the same denomination.

² Delete if the Notes have an initial maturity of 365 days or less.

BRITISH TELECOMMUNICATIONS public limited company

By:
Director

By:
Director

No.

PART 5
FORM OF TALON

On the front:

BRITISH TELECOMMUNICATIONS public limited company

[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]

Series No. []

¹[Talon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].

On and after [] further Coupons [and a further Talon]² appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]³

BRITISH TELECOMMUNICATIONS public limited company

By:
Director

By:
Director

No.

¹ Delete where the Notes are all of the same denomination.
² Not required on last Coupon sheet.
³ Delete if the Notes have an initial maturity of 365 days or less.

On the back of Coupons and Talons:

AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

PAYING AGENTS

Banque Internationale à Luxembourg, société anonyme
69, route d'Esch,
L-2953
Luxembourg

SCHEDULE 3

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (a) **voting certificate** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
 - (i) that on the date thereof Notes (whether in definitive form or represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate and any adjourned such meeting) bearing specified serial numbers were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Notes will cease to be so deposited or held until the first to occur of:
 - (A) the conclusion of the meeting specified in such certificate or, if applicable, of any adjourned such meeting; and
 - (B) the surrender of the certificate to the Paying Agent who issued the same; and
 - (ii) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;
 - (b) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
 - (i) it is certified that Notes (whether in definitive form or represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Notes will cease to be so deposited or held until the first to occur of:
 - (A) the conclusion of the meeting specified in such document or, if applicable, of any adjourned such meeting; and
 - (B) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control and the giving of notice by the Paying Agent to the Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;
 - (ii) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so deposited or held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period

commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

- (iii) the aggregate nominal amount of the Notes so deposited or held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (iv) one or more person or persons named in such document (hereinafter called **proxies**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (iii) above as set out in such document.
- (c) **24 hours** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (d) **48 hours** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the Paying Agent with which such Notes have been deposited or the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purpose not to be the holder of those Notes.

2. The Issuer or the Trustee may at any time and the Issuer shall upon a requisition in writing signed by the holders of not less than five per cent. in nominal amount of the Notes of any series for the time being outstanding convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Trustee may appoint or approve.
3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) specifying the place, day and hour of meeting shall be given to the Noteholders prior to any meeting of the Noteholders in the manner provided by Condition 13. Such notice shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include a statement to the effect that Notes may be deposited with Paying Agents for the purpose of obtaining voting certificates or appointing proxies. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee) and to the Issuer (unless the meeting is convened by the Issuer).

4. A person (who may but need not be a Noteholder) nominated in writing by the Trustee shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman.
5. At any such meeting one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-twentieth of the nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than 50 per cent. in nominal amount of the Notes for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution) namely:
 - (a) modification of the date fixed for final maturity of the Notes or reduction of the amount of principal payable on any such date;
 - (b) reduction or cancellation of the principal payable on the Notes;
 - (c) reduction of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment in respect of any interest;
 - (d) alteration of the currency in which payments under the Notes and Coupons are to be made;
 - (e) alteration of the majority required to pass an Extraordinary Resolution;
 - (f) the sanctioning of any such scheme or proposal as is described in paragraph 18(i) below;
 - (g) alteration of this proviso or the proviso to paragraph 6 below;

the quorum shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds of the nominal amount of the Notes for the time being outstanding.

6. If within fifteen minutes after the time appointed for any such meeting a quorum is not present the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 14 days nor more than 42 days, and to such place as may be appointed by the Chairman and approved by the Trustee) and at such adjourned meeting one or more persons present holding Definitive Notes or voting certificates or being proxies (whatever the nominal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the business of which includes any of the matters specified in the proviso to paragraph 5 above, the quorum shall be one or more persons present holding Definitive Notes or voting

certificates or being proxies and holding or representing in the aggregate not less than one-third of the nominal amount of the Notes for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall (except in cases where the proviso to paragraph 6 above shall apply when it shall state the relevant quorum) state that two or more persons present holding Definitive Notes or voting certificates or being proxies at the adjourned meeting whatever the nominal amount of the Notes held or represented by them will form a quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes or vote (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or the Issuer or by two or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-fiftieth part of the nominal amount of the Notes then outstanding 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.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Trustee and its lawyers and financial advisers and any director, officer or employee of a corporation being a trustee of these presents and any director or officer of the Issuer and its lawyers and financial advisers and any other person authorised in that behalf by the Trustee may attend and speak at any meeting. Save as aforesaid but without prejudice to the proviso to the definition of **outstanding** in Clause 1 of the Trust Deed no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by Condition 9 unless he either produces the Definitive Note or Definitive Notes of which he is the holder or a voting certificate or is a proxy. Neither the Issuer nor any Subsidiary of the Issuer shall be entitled to vote at any meeting in respect of Notes held by any person (including but not limited to the Issuer or any Subsidiary of the Issuer) for its benefit. Nothing herein contained shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.
14. Subject as provided in paragraph 13 hereof at any meeting:

- (a) on a show of hands every person who is present in person and produces a Definitive Note or voting certificate or is a proxy shall have one vote; and
- (b) on a poll every person who is so present shall have one vote in respect of each U.S.\$1 or such other amount as the Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Trustee in its absolute discretion may stipulate) in nominal amount of the Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy.

Without prejudice to the obligations of the proxies named in any block voting instruction any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- 15. The proxies named in any block voting instruction need not be Noteholders.
- 16. Each block voting instruction together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying Agent shall be deposited at such place as the Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction shall be deposited with the Trustee before the commencement of the meeting or adjourned meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction.
- 17. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Noteholders' instructions pursuant to which it was executed PROVIDED THAT no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent by the Issuer at its registered office (or such other place as may have been approved by the Trustee for the purpose) by the time being 24 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.
- 18. A meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6) only namely:
 - (a) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Trustee, any Appointee and the Noteholders and Couponholders or any of them.
 - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the Noteholders and Couponholders against the Issuer or against any of its property whether such rights shall arise under these presents or otherwise.
 - (c) Power to assent to any modification of the provisions contained in these presents which shall be proposed by the Issuer or the Trustee.
 - (d) Power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution.

- (e) Power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.
 - (f) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of these presents.
 - (g) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under these presents.
 - (h) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (i) Power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash.
19. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting and upon all Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of any resolution duly passed by the Noteholders shall be published in accordance with Condition 13 by the Issuer within 14 days of the passing of such resolution PROVIDED THAT the non-publication of such notice shall not invalidate such resolution.
20. The expression **Extraordinary Resolution** when used in these presents means (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll or (b) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the nominal amount of the Notes, which resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by or on behalf of one or more of the Noteholders; or (c) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding.
21. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed or had.
22. (a) If and whenever the Issuer shall have issued and have outstanding any Notes which are not identical and do not form one single Series then those Notes which are in all respects

identical shall be deemed to constitute a separate Series of the Notes and the foregoing provisions of this Schedule shall have effect subject to the following modifications:

- (i) a resolution which in the opinion of the Trustee affects one Series only of the Notes shall be deemed to have been duly passed if passed at a separate meeting (or by a separate resolution in writing or by a separate resolution passed by way of consents received through the relevant clearing system(s)) of the holders of the Notes of that Series;
 - (ii) a resolution which in the opinion of the Trustee affects more than one Series of the Notes but does not give rise to a conflict of interest between the holders of Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant clearing system(s)) of the holders of the Notes of all the Series so affected;
 - (iii) a resolution which in the opinion of the Trustee affects more than one Series of the Notes and gives or may give rise to a conflict of interest between the holders of the Notes of any of the Series so affected shall be deemed to have been duly passed only if it shall be duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant clearing system(s)) of the holders of the Notes of each Series so affected; and
 - (iv) to all such meetings as aforesaid all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Notes and Noteholders were references to the Notes of the Series in question and to the holders of such Notes respectively.
- (b) If the Issuer shall have issued and have outstanding Notes which are not denominated in United States dollars, in the case of any meeting of holders of Notes of more than one currency the nominal amount of such Notes shall (i) for the purposes of paragraph 2 above be the equivalent in United States dollars at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into United States dollars on the seventh dealing day prior to the day on which the request in writing is received by the Issuer and (ii) for the purposes of paragraphs 5, 6, 9 and 14 above (whether in respect of the meeting, or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting or, if applicable, of the taking of such poll. In such circumstances, and where Notes denominated in United States dollars but of different denominations are to be treated together for the purposes of this Schedule, on any poll each person present shall have one vote for each one United States dollar of the Notes (converted as above) which he holds or represents.
23. Subject to all other provisions contained in these presents the Trustee may without the consent of the Issuer, the Noteholders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Trustee may in its sole discretion think fit.

SCHEDULE 4

FORM OF GUARANTEE ON SUBSTITUTION

Form of Guarantee to be given by a successor in business or, as the case may be, a Holding Company (as defined in the Trust Deed) of the Issuer or a Subsidiary (as defined in the Trust Deed) of such Holding Company in circumstances where the business of the Issuer, or a substantial part thereof, is transferred to such successor in business, Holding Company or Subsidiary of such Holding Company, as the case may be.

1. (a) The Guarantor hereby irrevocably and unconditionally guarantees to the Trustee:
 - (i) the due payment in accordance with the provisions of the Notes of the principal of and interest on the Notes and of any other amounts payable by the Issuer under these presents; and
 - (ii) the due and punctual performance and observance by the Issuer in accordance with the provisions of these presents of each of the other Conditions and the other provisions of these presents on the Issuer's part to be performed or observed.
- (b) If the Issuer fails for any reason whatsoever to pay any such principal, interest or additional amount (as referred to in Condition 7) or other amount in accordance with the provisions of these presents, the Guarantor shall cause each and every such payment to be made as if the Guarantor instead of the Issuer were expressed to be the primary obligor of the relevant Note or Coupon to the intent that the holder thereof shall receive the same amounts in respect of principal, interest or such other amount as would have been receivable had such payments been made by the Issuer.
- (c) If any payment received by the Trustee or any Noteholder or Couponholder pursuant to the provisions of these presents shall, on the subsequent bankruptcy, insolvency, corporate reorganisation or other similar event of the Issuer, be avoided or set aside under any laws relating to bankruptcy, insolvency, corporate reorganisation or other such similar events, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this guarantee shall continue to apply as if such payment had at all times remained owing by the Issuer and the Guarantor shall indemnify the Trustee and the Noteholders and/or Couponholders (as the case may be) in respect thereof PROVIDED THAT the obligations of the Issuer and/or the Guarantor under this subclause shall, as regards each payment made to the Trustee or any Noteholder or Couponholder which is avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.
- (d) The Guarantor hereby agrees that its obligations hereunder shall be unconditional and that the Guarantor shall be fully liable irrespective of the validity, regularity, legality or enforceability against the Issuer of, or of any defence or counter-claim whatsoever available to the Issuer (other than those afforded by these presents) in relation to, its obligations under these presents, whether or not any action has been taken to enforce the same or any judgment obtained against the Issuer, whether or not any time or indulgence waiver, authorisation or consent has been granted to the Issuer by or on behalf of the Noteholders or the Couponholders or the Trustee, whether or not any determination has been made by the Trustee pursuant to Clause 19, whether or not there have been any dealings or transactions between the Issuer, any of the Noteholders or the Couponholders or the Trustee, whether or not the Issuer has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not the Issuer has been prevented from making payment by foreign exchange provisions applicable at its place of

registration or incorporation and whether or not any other circumstances (other than complete performance of the obligations on the part of the Guarantor contained in these presents) have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly the validity of this guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of the Issuer under these presents and this guarantee shall not be discharged nor shall the liability of the Guarantor under these presents be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.

- (e) Without prejudice to the provisions of Clause 7.3 and subject always to Condition 9 the Trustee may determine from time to time whether or not it will enforce this guarantee which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this guarantee which the Trustee may consider expedient in the interests of the Noteholders.
- (f) The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to these presents or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this guarantee shall be a continuing guarantee which will not be discharged except by complete performance of the obligations contained herein.
- (g) If any moneys shall become payable by the Guarantor under this guarantee the Guarantor shall not, so long as the same remain unpaid, without the prior written consent of the Trustee, in respect of any amounts paid by it under this guarantee, exercise any rights of subrogation or any other right or remedy which may accrue to it in respect of or as a result of any such payment or, in respect of any other moneys for the time being due to the Guarantor from the Issuer, claim payment thereof or exercise any other right or remedy (including, in either case, claiming the benefit of any security or right of set-off or, on the liquidation of the Issuer, proving in competition with the Trustee). If upon the bankruptcy, insolvency or liquidation of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all principal of and interest on these presents shall have been made to the Noteholders, the Couponholders and the Trustee, such payment or distribution shall be received by the Guarantor on trust to pay the same over immediately to the Trustee for application in or towards the payment of all sums remaining unpaid under these presents to the Noteholders, the Couponholders and the Trustee respectively.
- (h) The obligations of the Guarantor under these presents constitute, and will constitute, direct, unconditional and unsecured obligations of the Guarantor and rank, or will rank, *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

SIGNATORIES

The **COMMON SEAL** of)
BRITISH TELECOMMUNICATIONS)
public limited company affixed)
to this deed is authenticated by:)

The **COMMON SEAL** of)
THE LAW DEBENTURE TRUST)
CORPORATION p.l.c.)
was affixed to this deed in the presence of:)

Director

Authorised Signatory

12 DECEMBER 1997

**BRITISH
TELECOMMUNICATIONS public
limited company**

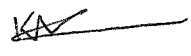
and

**THE LAW DEBENTURE TRUST
CORPORATION p.l.c.**

**related to the U.S.\$15,000,000,000
(originally U.S.\$10,000,000,000) Euro
Medium Term Note Programme**

TRUST DEED

SIGNATORIES

The **COMMON SEAL** of)
BRITISH TELECOMMUNICATIONS)
public limited company) 
affixed to this deed is authenticated by) **KATHRYN ZIELINSKI**

B719/074

The **COMMON SEAL** of)
THE LAW DEBENTURE TRUST)
CORPORATION p.l.c.)
was affixed to this deed)
in the presence of)

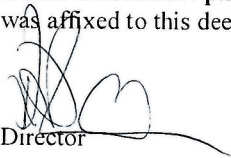
Director

Authorised Signatory

SIGNATORIES

The **COMMON SEAL** of)
BRITISH TELECOMMUNICATIONS)
public limited company affixed)
to this deed is authenticated by:)

The **COMMON SEAL** of)
THE LAW DEBENTURE TRUST)
CORPORATION p.l.c.)
was affixed to this deed in the presence of:)


Director


Authorised Signatory



16 JULY 2019

**BRITISH
TELECOMMUNICATIONS public
limited company**

and

**THE LAW DEBENTURE TRUST
CORPORATION p.l.c.**

**further modifying and restating the
provisions of the Trust Deed dated 12
December 1997 relating to the
€20,000,000,000 (originally
U.S.\$10,000,000,000) Euro Medium
Term Note Programme**

**ELEVENTH
SUPPLEMENTAL
TRUST DEED**