Preference Share Terms and Conditions for Autocallable Redemption Notes with Additional Digital Amount

The following are the terms and conditions (the "**Conditions**") of the Series 1996 redeemable preference shares linked to a basket of shares (the "**Preference Shares**") issued by UKSED3P Investments Limited (the "**Company**") on 22 October 2021 . Terms not otherwise defined have the meanings given in Condition 1 (*Definitions*) below. References to a numbered Condition shall be to such numbered section of the Conditions.

In the event of any inconsistency between the Articles and the Conditions, the Conditions shall prevail.

1. **Definitions**

"**Additional Digital Amount**" means, in relation to an Auto-Call Valuation Date falling on a Digital Valuation Date (numbered "k"), the sum of the Digital Amounts for all Digital Valuation Dates up to and including such Digital Valuation Date, and is equal to the following expressed as a formula:

$$\sum_{i=1}^{k} \text{Digital Amount}_i$$

"**Adjustment Provisions**" means all relevant provisions of these Conditions which provide for any adjustment, delay, modification, cancellation or determination in relation to a Security, the valuation procedure for a Security or the Preference Shares. This shall include the provisions of Condition 11 (*Calculation Agent Modifications*) and all subsequent Conditions.

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly the First Entity, or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of the majority of the voting power of an entity.

"**Articles**" means the Memorandum of Association and Articles of Association of the Company, as may be amended, supplemented or otherwise modified from time to time.

"**Associated Costs**" means, in respect of each Preference Share, an amount (subject to a minimum of zero) equal to its *pro rata* share (calculated on the basis of the proportion of the aggregate number of Preference Shares outstanding as at the Early Preference Share Valuation Date) as determined by the Calculation Agent of:

(a) the total amount of any and all costs associated with or incurred by or to be incurred by the Company or the Calculation Agent in connection with or arising as a result of the redemption of the Preference Shares occurring on the Early Preference Share Redemption Date rather than the Final Preference Share Redemption Date, all as determined by the Calculation Agent;

(b) without duplication, an amount which the Calculation Agent determines is appropriate in the context of any Related Financial Product to take into account the total amount of any and all actual and anticipated costs associated with or expected to be incurred by the issuer and/or Hedging Counterparty in relation to any Related Financial Product, in each case in connection with or arising as a result of the redemption of the Preference Shares occurring on the Early Preference Share Redemption Date rather than the Final Preference Share Redemption Date, including, without limitation, any funding related costs and any costs associated with unwinding the Related Financial Product and/or any hedge positions relating to such Related Financial Product, all as determined by the Calculation Agent by reference to such source(s) as it determines appropriate; and

(c) without duplication, any other fees and expenses payable by the Company which are attributable to the Preference Shares, all as determined by the Calculation Agent.

"**Auto-Call Trigger Event**" means an event which occurs if, in the determination of the Calculation Agent, the Worst Performing Security Performance as of the Valuation Time on an Auto-Call Valuation Date is greater than or equal to the relevant Auto-Call Trigger Level.

"**Auto-Call Trigger Level**" means the level set out below for the relevant Auto-Call Valuation Date (i.e. as shown in the same row as that date):

i.	Auto-Call Valuation Date	Auto-Call Trigger Level	Auto-Call Trigger Rate
1.	12 October 2022	80.00%	100.00% plus Additional Digital Amount
2.	12 January 2023	80.00%	100.00% plus Additional Digital Amount
3.	12 April 2023	80.00%	100.00% plus Additional Digital Amount
4.	12 July 2023	80.00%	100.00% plus Additional Digital Amount
5.	12 October 2023	80.00%	100.00% plus Additional Digital Amount
6.	12 January 2024	80.00%	100.00% plus Additional Digital Amount
7.	12 April 2024	80.00%	100.00% plus Additional Digital Amount
8.	12 July 2024	80.00%	100.00% plus Additional Digital Amount

"**Auto-Call Trigger Rate**" means the applicable percentage in respect of the relevant Auto-Call Valuation Date on which an Auto-Call Trigger Event has occurred as set out in the definition of Auto-Call Trigger Level above (i.e. as shown in the same row as that date).

"**Auto-Call Valuation Date**" means, in respect of a Security and subject to the Adjustment Provisions, each day specified as such in the definition of Auto-Call Trigger Level, or if any such day is not a Scheduled Trading Day for such Security, the next following Scheduled Trading Day in respect of such Security.

"**Barrier Level**" means 60 per cent.

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

"**Calculation Agent**" means HSBC Continental Europe.

"**Call and Put Period**" means the period commencing on and including the Issue Date to and including the day after 26 October 2021 or, if such date is not a Business Day, the next following Business Day.

"**Call and Put Redemption Amount**" means GBP 1.00 per Preference Share.

"**Clearing System Business Day**" means in relation to a Security, any day on which the principal domestic clearing systems customarily used for settling trades in such Security is (or, but for the occurrence of an event beyond the control of the Company or the Hedging Counterparty as a result of which such clearing system cannot clear the transfer of such securities, would have been) open for the acceptance and execution of settlement instructions.

"**Conversion**" means, in respect of any Securities, any irreversible conversion by the Underlying Company of such Securities into other securities.

"**Delisting**" means that the Exchange announces that, pursuant to the rules of such Exchange, the Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system (an "**Alternative Exchange**") located in the same country as the

Exchange (or where the Exchange is within the European Union or the United Kingdom, in any member stale of the European Union or the United Kingdom) or that the Calculation Agent determines that listing or trading of Securities on the Exchange (or an Alternative Exchange) has not commenced and will not commence in the foreseeable future prior to redemption of the Preference Shares.

"**Digital Amount**" means in relation to a Digital Valuation Date$_k$, if a Digital Trigger Event has occurred with respect to such Digital Valuation Date$_k$, an amount calculated in accordance with the following formula:

$$\text{Digital Amount}_k = k \times 3.205 \text{ per cent.} - \sum_{j=0}^{k-1} \text{Digital Amount}_j$$

otherwise: zero per cent.

"**Digital Trigger Event**" means, with respect to a Digital Valuation Date$_k$, an event which occurs if, in the determination of the Calculation Agent, the Worst Performing Security Performance as of the Valuation Time on such Digital Valuation Date is greater than or equal to the relevant Digital Trigger Level.

"**Digital Trigger Level**" means the level set out below for the relevant Digital Valuation Date (i.e. as shown in the same row as that date):

Digital Valuation Date	**k**	**Digital Trigger Level**
12 January 2022	1	70.00%
12 April 2022	2	70.00%
12 July 2022	3	70.00%
12 October 2022	4	70.00%
12 January 2023	5	70.00%
12 April 2023	6	70.00%
12 July 2023	7	70.00%
12 October 2023	8	70.00%
12 January 2024	9	70.00%
12 April 2024	10	70.00%
12 July 2024	11	70.00%
14 October 2024	12	70.00%

"**Digital Valuation Date**" means, in respect of a Security and subject to the Adjustment Provisions, each day specified as such in the definition of Digital Trigger Level, or, if any such day is not a Scheduled Trading Day for such Security, the next following Scheduled Trading Day for such Security.

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"**Early Preference Share Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency calculated by the Calculation Agent as the fair market value (calculated without taking into account the creditworthiness of the Company) of a Preference Share as of the Early Preference Share Valuation Date taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to, the relevant Early Preference Share Redemption Event after deducting any Associated Costs (to the extent not already reflected in such fair market value).

"**Early Preference Share Redemption Date**" means the day falling ten Business Days after the Early Preference Share Valuation Date.

"**Early Preference Share Redemption Event**" means the event that occurs if:

(a) the Calculation Agent determines that for reasons beyond the Company's control, the performance of the Company's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or

(b) any event occurs in respect of which the Adjustment Provisions provide the Preference Shares may be cancelled or redeemed; or

(c) a change in applicable law or regulation occurs that in the determination of the Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Company being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Company to be onerous to it; or

(d) the Company is notified by any issuer or obligor of a Related Financial Product that such Related Financial Product has become subject to early redemption.

"**Early Preference Share Redemption Notice**" means a notice of early redemption of some or all of the Preference Shares given by or on behalf of the Company in accordance with Condition 6 (*Notices*).

"**Early Preference Share Valuation Date**" means the date specified as such in the relevant Early Preference Share Redemption Notice which shall fall not less than one day and not more than 180 days following the day such Early Preference Share Redemption Notice is given. The Early Preference Share Redemption Notice may provide that such date is subject to adjustment in accordance with certain disruption or adjustment events, as determined by the Calculation Agent.

"**Exchange**" means in respect of a Security, the exchange or quotation system specified as such in relation to such Security in the definition of Securities below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the components of such Security have temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such components as on the original Exchange).

"**Exchange Business Day**" means any Scheduled Trading Day on which each Exchange and any relevant Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Securities on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Securities.

"**Extraordinary Event**" means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting.

"**Final Additional Digital Amount**" means, in relation to the Valuation Date, the sum of the Digital Amounts for all Digital Valuation Dates$_k$ up to and including the final Digital Valuation Date, and is equal to the following expressed as a formula:

$$\sum_{k=1}^{12} \text{Digital Amount}_k$$

"**Final Price**" means, with respect to a Security and an Auto-Call Valuation Date, Digital Valuation Date or the Valuation Date, subject to the Adjustment Provisions, the price of such Security as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Auto-Call Valuation Date, Digital Valuation Date or the Valuation Date, as the case may be.

"**Final Preference Share Redemption Amount**" means, subject to the provisions of the Articles and the Conditions, in respect of each Preference Share, an amount expressed in the Settlement Currency determined by the Calculation Agent equal to the Notional Amount multiplied by:

(a) if an Auto-Call Trigger Event has occurred, the Auto-Call Trigger Rate; or

(b) if an Auto-Call Trigger has not occurred, and:

(i) if a Final Trigger Event has occurred: 100 per cent. plus the Final Additional Digital Amount; or

(ii) if a Final Trigger Event has not occurred, and:

(A) if the Worst Performing Security Performance on the Valuation Date is greater than or equal to the Barrier Level: 100 per cent. plus the Final Additional Digital Amount; or

(B) if the Worst Performing Security Performance on the Valuation Date is less than the Barrier Level: the Worst Performing Security Performance plus the Final Additional Digital Amount.

"**Final Preference Share Redemption Date**" means the date that falls twenty Business Days following the Valuation Date on which the Calculation Agent has determined the Final Preference Share Redemption Amount or, if earlier, the first Auto-Call Valuation Date on which an Auto-Call Trigger Event has occurred.

"**Final Trigger Event**" means an event which occurs if, in the determination of the Calculation Agent, the Worst Performing Security Performance as of the final Valuation Time on the Valuation Date is greater than or equal to the Final Trigger Level.

"**Final Trigger Level**" means 80 per cent.

"**Hedging Counterparty**" means HSBC Bank plc or any Affiliate of HSBC Bank plc or any other party (i) providing the Company directly or indirectly with hedging arrangements in relation to the Preference Shares and/or (ii) providing or entering into hedging arrangements in relation to any Related Financial Product (and which may, without limitation, be the principal obligor of a Related Financial Product).

"**Initial Price**" means in respect of a Security and subject to the Adjustment Provisions, the price specified as such in the definition of Securities below, being the price for such Security as of the Strike Date for such Security.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an Underlying Company (a) all the Securities of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Securities of that Underlying Company become legally prohibited from transferring them.

"**Issue Date**" means 22 October 2021 .

"**Market Disruption Event**" means the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, or (c) an Early Closure.

"**Merger Event**" means in respect of any relevant Securities, any (i) reclassification or change of such Securities that results in a transfer of or an irrevocable commitment to transfer all of such Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity or person (other than a consolidation, amalgamation or merger in which such Underlying Company is the continuing entity' and which does

not result in a reclassification or change of all of such Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Securities of the Underlying Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Securities owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all of such Securities outstanding but results in the outstanding Securities (other than Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Securities immediately following such event, in each case if the closing date of a Merger Event (or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent) is on or before the final Valuation Date.

"**Nationalisation**" means that all the Securities or all or substantially all the assets of an Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

"**Notional Amount**" means GBP 1.00 per Preference Share.

"**Potential Adjustment Event**" means (i) a subdivision, consolidation or reclassification of relevant Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Securities to existing holders whether by way of bonus, capitalisation or similar issue; or (ii) a distribution, issue or dividend to existing holders of the relevant Securities of (A) such Securities or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Securities or (C) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; or (iii) an extraordinary dividend; or (iv) a call by the Underlying Company in respect of relevant Securities that are not fully paid; or (v) a repurchase by the Underlying Company or any of its subsidiaries of relevant Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or (v) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Securities.

"**Related Exchange**" means, subject to the proviso below, in respect of a Security, each exchange or quotation system specified as such for such Security in the definition of Securities below, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Security, has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Security, as on the original Related Exchange).

"**Related Financial Product**" means any financial product which references directly or indirectly the Preference Shares.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means, in respect of a Security, any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading for their respective regular trading sessions; notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date, an Auto-Call Valuation Date, a Digital Valuation Date or a Valuation Date, as applicable.

"**Securities**" means, subject to Adjustment Provisions, the following Securities (and each a "**Security**"):

Security	Exchange	Related Exchange	Initial Price
TJX COMPANIES INC (Bloomberg Code : TJX UN)	New York Stock Exchange	Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to the Security	USD 62.97
VOLKSWAGEN AG PREF (Bloomberg Code : VOW3 GY)	Xetra	Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to the Security	EUR 188.28
CARREFOUR SA (Bloomberg Code : CA FP)	Euronext Paris	Each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to the Security	EUR 15.36

"**Security Performance**" means, in relation to a Security and an Auto-Call Valuation Date, Digital Valuation Date or the Valuation Date, a percentage calculated by the Calculation Agent in respect of such date in accordance with the following formula:

$$Security\ Performance = \frac{\text{Final Price}}{\text{Initial Price}} \times 100\%$$

"**Settlement Cycle**" means, in respect of a Security, the period of Clearing System Business Days following a trade in the relevant Security on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"**Settlement Currency**" means British Pound Sterling ("**GBP**")

"**Shareholder**" means a holder of Preference Shares in accordance with the Articles.

"**Specified Maximum Number of Disrupted Days**" means eight Scheduled Trading Days.

"**Strike Date**" means, in respect of a Security and subject to the Adjustment Provisions, 12 October 2021 or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day thereafter unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If such day is a Disrupted Day, then the provisions of Condition 12 (*Consequences of Disrupted Days*) below shall apply.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Underlying Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Securities on the Exchange, or (b) in futures or options contracts relating to the Securities on any relevant Related Exchange.

"**Underlying Company**" means the issuer of the relevant Security as specified above, in each case subject to adjustment in accordance with Condition 13 (*Adjustments*).

"**Valuation Date**" means, in respect of a Security and subject to the Adjustment Provisions, 14 October 2024 or, if such date is not a Scheduled Trading Day for such Security, the next following Scheduled Trading Day for such Security.

"**Valuation Time**" means in respect of a Security the Scheduled Closing Time on the relevant Exchange on the Strike Date, Auto-Call Valuation Date, the Valuation Date or such other day as determined by the Calculation Agent, as the case may be. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"**Worst Performing Security Performance**" means, in respect of an Auto-Call Valuation Date, Digital Valuation Date or the Valuation Date, the lowest Security Performance of the Securities in respect of such Auto-Call Valuation Date, Digital Valuation Date or the Valuation Date, as the case may be, **provided that** if two or more Security Performances in respect of such Auto-Call Valuation Date, Digital Valuation Date or the Valuation Date, as the case may be, are the same, the Calculation Agent shall determine which Security Performance shall constitute the Worst Performing Security Performance in respect of such day.

2. Redemption, Payment and Transfer

The Preference Shares shall not be redeemed except as provided for in the Conditions and Article 48(a) (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The method for determining the Final Preference Share Redemption Amount or the Early Preference Share Redemption Amount shall be as set out in the Conditions and Article 48(d) (*Redemption of Redeemable Preference Shares*) of the Articles shall not apply.

The Final Preference Share Redemption Amount or Early Preference Share Redemption Amount, as the case may be, may not be less than GBP 0.0001 and will be rounded to the nearest two decimal places in the Settlement Currency, 0.00005 being rounded downwards, **provided that** in the case of Preference Shares redeemed at the same time by the same Shareholder, such rounding shall only occur following calculation of the aggregate amounts due in respect of such Preference Shares.

2.1 *Final Redemption*

If the Preference Shares have not been previously redeemed in accordance with Condition 2.3 (*Company Call*), Condition 2.4 (*Shareholder Put*) or Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*), each Shareholder shall have the right exercisable from and including the last occurring Valuation Date or the first Auto-Call Valuation Date on which an Auto-Call Trigger Event has occurred, as applicable, to and including the Final Preference Share Redemption Date, by giving notice to the Company, to require the Company immediately to pay or cause to be paid, and if that right is not

exercised, the Company will pay or cause to be paid on the Final Preference Share Redemption Date, the Final Preference Share Redemption Amount in respect of each Preference Share in the Settlement Currency, subject to applicable laws, the Articles and the Conditions. The provisions of Article 48(a), (b) and (c) (*Redemption of Redeemable Preference Shares*) shall not apply to the Preference Shares.

2.2 ***Payment on a Winding Up or Return of Capital***

The provisions of Articles 46(a) (*Capital*) and 46(b) (*Capital*) shall apply to the Preference Shares.

2.3 ***Company Call***

The Company shall have the right exercisable during the Call and Put Period to redeem compulsorily all of the then outstanding Preference Shares at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the Company exercising its right in accordance with this Condition 2.3 (*Company Call*), it shall give an Early Preference Share Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

2.4 ***Shareholder Put***

If the Company has not given notice of its right to redeem compulsorily the Preference Shares in accordance with Condition 2.3 (*Company Call*), each Shareholder shall have the right exercisable during the Call and Put Period, by giving notice to the Company, to have all of its Preference Shares redeemed at the Call and Put Redemption Amount payable on the date that right is exercised in accordance with the Articles, the Conditions and in the manner determined by the Company.

Upon the occurrence of a Shareholder exercising its right in accordance with this Condition 2.4 (*Shareholder Put*), the Company shall give an Early Preference Share Redemption Notice as soon as practicable to Shareholders in accordance with Condition 6 (*Notices*) of the early redemption of each of the then outstanding Preference Shares.

2.5 ***Transfer of Preference Shares***

The Preference Shares may only be transferred if all Preference Shares in issue are transferred together to the same transferee.

3. **Early Redemption if there is an Early Preference Share Redemption Event**

If the Company, or the Calculation Agent on behalf of the Company, determines that there is an Early Preference Share Redemption Event falling within paragraphs (a) to (c) of the definition of Early Preference Share Redemption Event, the Company, or the Calculation Agent on behalf of the Company, may, but shall not be obliged to elect to redeem early the Preference Shares by giving an Early Preference Share Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below, and if the Company, or the Calculation Agent on behalf of the Company, determines that there is an Early Preference Share Redemption Event falling within paragraph (d) of that definition then the Company, or the Calculation Agent on behalf of the Company, must redeem early the Preference Shares by giving an Early Preference Share Redemption Notice to Shareholders in accordance with Condition 6 (*Notices*) below.

For the purposes of this Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*) only, following the delivery of an Early Preference Share Redemption Notice, each Shareholder shall have the right exercisable from and including the Early Preference Share Valuation Date to and including the Early Preference Share Redemption Date to require the Company to redeem the Preference Shares immediately (and if that right is not exercised the Company will redeem all of the Preference Shares on the Early Preference Share Redemption Date) at the Early Preference Share Redemption Amount in respect of each Preference Share, subject to applicable laws, the Articles and the Conditions.

4. **Dividends**

In accordance with the Articles, no dividends will be paid in respect of the Preference Shares.

5. **Further Preference Shares**

The Company shall be entitled to issue further Preference Shares from time to time to be consolidated and form a single class with the Preference Shares **provided that** the rights conferred upon the Shareholders shall not be varied, amended or abrogated by the creation, allotment or issue of any further Preference Shares of the same class as the Preference Shares or any different class.

6. **Notices**

Notices to Shareholders shall be delivered to Shareholders at the address for each Shareholder set out in the register of members of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address. Where a notice is being delivered in accordance with Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*), such notice shall specify the relevant Early Preference Share Valuation Date. A copy of any Early Preference Share Redemption Notice shall also be delivered to any Hedging Counterparty.

Notices to the Company shall be delivered to the Company at the address of the registered office of the Company with a copy to the Calculation Agent. Any such notice will become effective on the first calendar day after such delivery to such address.

7. **Calculations and Determinations**

Any calculations, determinations and adjustments to be made in relation to the Conditions shall, unless otherwise specified, be made by the Calculation Agent and in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements entered into with any Hedging Counterparty).

Notwithstanding that certain calculations, determinations and adjustments in the Conditions may be expressed to be on a certain date, the Calculation Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it acting in good faith and in a commercially reasonable manner.

Pursuant to the Conditions the Calculation Agent has a number of discretions. These are necessary since certain circumstances or the occurrence of certain events may materially affect the costs to the Company and/or a Hedging Counterparty (including in relation to any Related Financial Product) and/or any issuer or obligor of a Related Financial Product of maintaining the Preference Shares or a Related Financial Product or hedging arrangements for the Preference Shares or a Related Financial Product, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Preference Shares and/or the Related Financial Product. In addition, certain circumstances may arise where it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant Preference Shares and in these circumstances the Calculation Agent also may exercise certain discretions acting in good faith and in a commercially reasonable manner.

8. **Severability**

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

9. **Governing Law And Jurisdiction**

The Conditions and all non-contractual obligations arising from or in connection with the Conditions shall be governed by and shall be construed in accordance with English law. The English courts shall have exclusive jurisdiction to deal with any dispute and all non-contractual obligations arising from or in connection with the Conditions.

10. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any rights to enforce any terms or conditions of the Preference Shares 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 the Contracts (Rights of Third Parties) Act 1999.

11. **Calculation Agent Modifications**

The Calculation Agent will employ the methodology and comply with the provisions described in the Conditions to determine the amounts payable in respect of the Preference Shares. The Calculation Agent's determination in the application of such methodology and compliance with the provisions shall be final, conclusive and binding on the Company and Shareholders except in the case of manifest error.

The Calculation Agent shall be free to modify such methodology or provisions from time to time, acting in good faith and in a commercially reasonable manner, (1) as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates or makes desirable (taking into account the interests of the Company and any obligor of a Related Financial Product) a modification or change of such methodology or provisions or (2) for the purposes of (i) preserving the intended economic terms of the Preference Shares or (ii) curing any ambiguity or correcting or supplementing any provision of the Conditions or (iii) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (iv) replacing any information provider or source or (v) making amendments to the provisions of a formal, minor or technical nature or (vi) correcting any manifest or proven errors or (vii) making such amendments to comply with mandatory provisions of any applicable laws, **provided that** no modification by the Calculation Agent constituting a variation (or deemed variation) of the rights of the Preference Shares (or any other class of shares of the Company) for the purposes of sections 630-640 of the Companies Act 2006 and/or the Articles shall have effect unless previously approved in accordance with the Companies Act 2006 and the Articles.

Other than with respect to payments, where the Company fails to exercise any discretion or take any action provided to it in the Conditions when the exercise of such discretion or action would be necessary or desirable (as determined by the Calculation Agent), the Calculation Agent may exercise such discretion on its behalf acting in good faith and in a commercially reasonable manner.

12. **Consequences of Disrupted Days**

If any Scheduled Valuation Date in respect of a Security is a Disrupted Day in respect of such Security, then the Strike Date, the Valuation Date or the Auto-Call Valuation Date, as the case may be, for such Security shall be the first succeeding Scheduled Trading Day for such Security that is not a Disrupted Day relating to that Security, unless each of the Specified Maximum Number of Disrupted Days for such Security immediately following the relevant Scheduled Valuation Date is a Disrupted Day relating to that Security (the "**Limit Date**"). In that case, (a) that Limit Date shall be deemed to be the Strike Date, the Valuation Date or the Auto-Call Valuation Date, as the case may be, for the relevant Security notwithstanding the fact that such day is a Disrupted Day for such Security, and (b) the Calculation Agent shall determine its good faith estimate of the value for the relevant Security as of the Valuation Time on that Limit Date).

13. **Adjustments**

(a) *Potential Adjustment Events*

The Calculation Agent shall determine whether or not at any time a Potential Adjustment Event has occurred and where it determines such an event has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Securities and, if so, will make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Preference Share Redemption Amount, the number of Securities to which each Preference Share relates, the number of Securities comprised in a basket, and/or any other adjustment(s) and, in any case, any other variable relevant to the settlement or payment terms of the relevant Preference Shares as the Calculation Agent determines to be appropriate to account for that diluting or concentrative effect and determine the effective date(s) of such adjustment(s).

(b) *Extraordinary Events*

Following the occurrence of any Extraordinary Event, the Issuer will determine whether or not the relevant Preference Shares shall continue and, if so, determine any adjustments to be made.

If the Issuer determines that the relevant Preference Shares shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate, if any, to the formula for the Final Preference Share Redemption Amount, the number of Securities to which each Preference Share relates, the number of Securities comprised in a basket, and, in any case, any other variable relevant to the settlement or payment terms of the relevant Preference Shares and/or any other adjustment which change or adjustment shall be effective on such date selected by the Calculation Agent, acting in a commercially reasonable manner. If the Issuer determines that the relevant Preference Shares shall be redeemed, then all (but not some only) of the Preference Shares shall be redeemed in accordance with Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*).

(c) *Conversion*

Following the occurrence of any Conversion, the Issuer will determine whether or not the Preference Shares will continue and, if so, determine any adjustment(s) to be made. If the Issuer determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment(s) as it determines to be appropriate to the formula for the Final Preference Share Redemption Amount the number of Securities to which each Preference Share relates, the number of Securities comprised in a basket and, in any case, any other variable relevant to the settlement or payment terms of the relevant Preference Shares and/or any other adjustment and determine the effective date(s) of such adjustment(s). If the Issuer determines that the Preference Shares shall be redeemed, then all (but not some only) of the Preference Shares shall be redeemed in accordance with Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*).

14. **Additional Disruption Events**

(a) Following the occurrence of an Additional Disruption Event, the Calculation Agent will determine whether or not the Preference Shares shall continue or be redeemed early.

(b) If the Calculation Agent determines that the Preference Shares shall continue, the Calculation Agent may make such adjustment as it considers appropriate, if any, to any one or more of the Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment.

(c) If the Calculation Agent determines that the Preference Shares shall be redeemed early, then the Company shall redeem all but not some only of the Preference Shares in accordance with Condition 3 (*Early Redemption if there is an Early Preference Share Redemption Event*).

(d) Upon the occurrence of an Additional Disruption Event, the Company, or the Calculation Agent on behalf of the Company, shall give notice as soon as practicable to the Shareholders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto **provided that** any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging.

"**Change in Law**" means that on or after the Issue Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines that (A) it has become illegal for the Company or the Hedging Counterparty to hold, acquire or dispose of any Securities or it has become illegal for the Company or the Hedging Counterparty to hold, acquire, purchase, sell or maintain one or more (x) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to the Preference Shares, any Related Financial Product, or in relation to the Company's or the Hedging Counterparty's hedging activities in connection with the Preference Shares or any Related Financial Product (y) stock loan transactions in relation to the Preference Shares or any Related Financial Product or (z) other instruments or arrangements (howsoever described) held by the Company or the Hedging Company in order to hedge,

individually or on a portfolio basis, the Preference Shares or any Related Financial Product relating to a Security or (B) the Company or any Hedging Counterparty will incur a materially increased cost in performing its obligations in relation to the Preference Shares or any Related Financial Product (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any Hedging Counterparty).

"**Hedging Disruption**" means that the Company and/or any Hedging Counterparty is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Company and/or any Hedging Counterparty would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Preference Shares or of any obligor of a Related Financial Product issuing and performing its obligations with respect to a Related Financial Product, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any Related Financial Product obligor shall not be deemed an Increased Cost of Hedging.

15. **Correction of Prices**

If the price of any Security published at any time and used or to be used by the Calculation Agent for any calculation or determination under the Preference Shares is subsequently corrected and the correction is published within one Settlement Cycle after the original publication, the Calculation Agent will make such adjustment as it determines to be appropriate, if any, to the settlement or payment terms of the Preference Shares to account for such correction **provided that** if any amount has been paid in an amount which exceeds the amount that would have been payable if the correction had been taken into account, no further amount in an amount at least equal to the excess is payable in respect of the Preference Shares and the Calculation Agent determines that it is not practicable to make such an adjustment to account fully for such correction, the Company shall be entitled to reimbursement of the relevant excess payment (or, as the case may be, the proportion thereof not accounted for by an adjustment made by the Calculation Agent) by the relevant Shareholder, together with interest on that amount for the period from and including the day on which payment was originally made to (but excluding) the day of payment of reimbursement by the Shareholder (all as calculated by the Calculation Agent). Any such reimbursement shall be effected in such manner as the Company shall determine.

CALCULATION AGENT DISCLAIMERS

The Calculation Agent makes no express or implied representations or warranties as to (a) the advisability of investing in or obtaining exposure to the Preference Shares, (b) the value of the Preference Shares at any particular time on any particular date, or (c) any amounts that may become payable in respect of the Preference Shares. The Calculation Agent shall not act as agent or trustee for the holders of the Preference Shares or any Related Financial Product.

Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Shareholders or Related Financial Product investors for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.

In addition, to providing calculation agency services to the Company, the Calculation Agent or any of its Affiliates, may perform further or alternative roles relating to the Company and any series of Preference Shares. Furthermore, the Calculation Agent or any of its Affiliates may contract with the Company and/or enter into transactions which relate to the Company, the Preference Shares or the Securities and as a result

the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Company nor the Calculation Agent in respect of the Preference Shares owes any duty or responsibility to any Shareholder or Related Financial Product investor to avoid any conflict or to act in the interest of any Shareholder or Related Financial Product investor.