

FINAL TERMS

Final Terms dated 23 April 2018

LEEDS BUILDING SOCIETY

Issue of £200,000,000 Callable Fixed Rate Reset Subordinated Notes due April 2029
under the £2,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MIFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPS Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Terms used herein shall be deemed to be defined as such for the purposes of the 2017 Base Conditions. The Base Prospectus constitutes a base prospectus for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at <http://www.leedsbuildingsociety.co.uk> and copies will be available at the registered office of the Issuer at 105 Albion Street, Leeds LS1 5AS.

1	(i)	Series Number:	1
	(ii)	Tranche Number:	1
2		Specified Currency or Currencies:	Pounds sterling (“£”)
3		Aggregate Nominal Amount of Notes:	
	(i)	Series:	£200,000,000
	(ii)	Tranche:	£200,000,000

4	Issue Price:	99.357 per cent. of the Aggregate Nominal Amount
5	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000
	(ii) Calculation Amount:	£1,000
6	(i) Issue Date:	25 April 2018
	(ii) Interest Commencement Date:	Issue Date
7	Maturity Date:	25 April 2029
8	Interest Basis:	Fixed Rate Reset
9	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10	Change of Interest Basis:	Not Applicable
11	Put/Call Options:	Issuer Call
12	(i) Status of the Notes:	Subordinated in accordance with Condition 3(b) as modified by the Annex hereto
	(ii) Set-Off:	Condition 3(c) applies as modified by the Annex hereto
	(iii) Date approval by committee of the Board of Directors for issuance of Notes obtained:	22 March 2018 and 17 April 2018. Further approval expected on 23 April 2018.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	Fixed Rate Note Provisions	Not Applicable
14	Fixed Rate Reset Note Provisions	Applicable
	(i) Initial Rate of Interest:	3.750 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	25 April and 25 October in each year from and including 25 October 2018 to and including the Maturity Date
	(iii) Broken Amount(s):	Not Applicable
	(iv) Day Count Fraction:	Actual/Actual (ICMA)
	(v) Determination Date:	25 April and 25 October in each year
	(vi) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Agent):	HSBC Bank plc
	(vii) Reset Date:	25 April 2028
	(viii) Subsequent Reset Reference Rate:	Mid-Swaps
	(ix) Initial Credit Spread:	2.29 per cent. per annum

	(x)	Step-Up Margin:	Not Applicable
	(xi)	Subsequent Reset Rate Screen Page:	Bloomberg page “BPSW1 CMPL”
	(xii)	Mid Swap Maturity:	6 months
	(xiii)	Reset Determination Date:	The second Business Day prior to the commencement of the applicable Reset Period
	(xiv)	Subsequent Reset Rate Time:	11:00a.m. (London time)
15		Floating Rate Note Provisions	Not Applicable
16		Zero Coupon Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION			
17		Redemption for Taxation Reasons	Applicable in accordance with condition 6(c) as modified by the Annex hereto
18		Call Option	Applicable
	(i)	Optional Redemption Date:	25 April 2028
	(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount:	£1,000 per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice Period:	Minimum period: 15 days Maximum period: 30 days
19		Redemption Upon Capital Disqualification Event	Applicable in accordance with Condition 6(f) as modified by the Annex hereto
20		Put Option	Not Applicable
21		Final Redemption Amount of each Note:	£1,000 per Calculation Amount
22		Early Redemption Amount	Applicable
		Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	£1,000 per Calculation Amount
23		Purchases	Condition 6(g) applies as modified by the Annex hereto
24		Supervisory Permission	The Issuer right to redeem or purchase Subordinated Notes pursuant to Conditions 6(c),

6(d), 6(f) or 6(g) (Purchases) is subject to Condition 6(i) as modified by the Annex hereto

ENFORCEMENT AND MODIFICATION

25	Enforcement	Condition 10(b) applies as modified by the Annex hereto
26	Modification of the Trust Deed	Condition 11(b) applies as modified by the Annex hereto

TRUST DEED

27	Supplemental Trust Deed	The Issuer will enter into a supplemental trust deed (the “ Supplemental Trust Deed ”) supplementing and amending the trust deed dated 5 December 2017 (“ 2017 Trust Deed ”) to give effect to the modifications made to the 2017 Conditions by the final terms set out herein. References to “the Trust Deed” herein and in the 2017 Conditions (as supplemented and modified by these final terms) shall mean the 2017 Trust Deed, as supplemented and amended by the Supplemental Trust Deed.
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

27	Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
28	New Global Note/NSS:	Yes
29	Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
30	Talons for future Coupons (and dates on which such Talons mature):	No
31	US Selling Restrictions:	Reg. S Compliance Category: 2, TEFRA D

THIRD PARTY INFORMATION

Not Applicable

Signed on behalf of the Issuer:

By: 

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND TRADING

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| (i) | Admission to listing and to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's regulated market with effect from 25 April 2018. |
| (ii) | Estimate of total expenses related to admission to trading: | £5,250 |

2 RATINGS

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| Ratings: | The Notes to be issued are expected to be rated:
Moody's: Baa2
Fitch: BBB+ |
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3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its/affiliates in the ordinary course of business.

4 YIELD 3.865 per cent. per annum

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| Indication of yield: | The yield is calculated at the Issue Date on the basis of the Initial Rate of Interest and the Issue price. It is not an indication of future yield. |
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5 OPERATIONAL INFORMATION

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| ISIN: | XS1812121876 |
| Common Code: | 181212187 |
| Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | Not Applicable |
| Delivery: | Delivery against payment |
| Names and addresses of initial Paying Agent(s): | HSBC Bank plc
8 Canada Square
London E14 5HQ |
| Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| Names and addresses of Managers: | The Royal Bank of Scotland plc (trading as NatWest Markets)
250 Bishopsgate
London EC2M 4AA |

Nomura International plc
1 Angel Lane
London EC4R 3AB

UBS Limited
5 Broadgate
London EC2M 2QS
United Kingdom

Intended to be in a manner which would allow Eurosystem eligibility:

No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

ANNEX

For the purposes of these final terms, the following modifications apply to the 2017 Conditions.

1. Condition 3(b) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Status of Subordinated Notes

The Subordinated Notes (being those Notes that specify their status as Subordinated) and the Coupons relating to them constitute direct and unsecured obligations of the Issuer and, in the event of the winding up or dissolution of the Issuer (other than an Excluded Dissolution), rank and will rank *pari passu* and without any preference among themselves, at least equally with the claims of the holders of all other subordinated obligations of the Issuer which constitute or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital of the Issuer from time to time outstanding but will rank ahead of the holders of any subordinated obligations whose claims rank or are expressed to rank junior to the Subordinated Notes or the related Coupons, as the case may be, and for the avoidance of doubt, ahead of all claims in respect of any Deferred Shares (as defined below) in the Issuer.

In the event of the winding up or dissolution of the Issuer (other than an Excluded Dissolution), the claims of the Trustee, the Noteholders and the Couponholders against the Issuer in respect of the Subordinated Notes or the related Coupons (including, without limitation, any damages awarded for breach of any obligations hereunder), as the case may be, will be subordinated, as provided in the Trust Deed, to the Senior Claims. In such event, the claims of the Noteholders and the Couponholders against the Issuer in respect of the Subordinated Notes will become due and payable and capable of proof in such winding up or dissolution, but only to the extent that assets will remain available in such winding up or dissolution after all Senior Claims on the Issuer have been satisfied in full or full provision therefor has been made. Accordingly, no payments of amounts due in respect of the Subordinated Notes and the related Coupons together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Subordinated Notes including any damages awarded for breach of any obligations, will be made to the Noteholders and the Couponholders following the commencement of any such winding up or dissolution of the Issuer except where all sums due from the Issuer in respect of all Senior Claims are paid in full or full provision has been made therefor. Any amounts paid to the Trustee in any such winding up or dissolution of the Issuer will be held on trust for distribution in satisfaction of the Senior Claims to the extent (if any) not fully paid and thereafter in or towards payment of the amounts due under the Subordinated Notes and the related Coupons together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Subordinated Notes including any damages awarded for breach of any obligations, as the case may be.

“**Deferred Shares**” means deferred shares within the meaning of the Act (as defined in Condition 10(a))

“**Excluded Dissolution**” means each of (i) a winding up or dissolution of the Issuer for the purpose of a reconstruction, union, transfer, merger or amalgamation or the substitution in place of the Issuer of a successor in business the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, and (ii) a dissolution of the Issuer following, or in connection with, a Permitted Reorganisation whereby the Successor Entity is substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and any related Coupons;

“**Permitted Reorganisation**” means any of:

- (i) an amalgamation of the Issuer and one or more other building societies under section 93 of the Act (or any successor provision thereto);

- (ii) a transfer by the Issuer of all or substantially all of its engagements under section 94 of the Act (or any successor provision thereto);
- (iii) a transfer by the Issuer of the whole of its business to a company under sections 97 to 102D of the Act (or any successor provisions thereto);
- (iv) a transfer by the Issuer of the whole of its business to a subsidiary of a mutual society pursuant to any order made by HM Treasury under section 3 of the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007 (the “**2007 Act**”) (or any successor provisions thereto); or
- (v) an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to another type of body authorised under the Financial Services and Markets Act 2000 as amended, consolidated or re-enacted from time to time (the “**FSMA**”) or to a body which is regulated on a similar basis to an authorised person under the FSMA;

“**Senior Claims**” means all claims in respect of deposits with, or loans to, the Issuer, all claims of creditors in respect of unsubordinated obligations of the Issuer and all claims of creditors in respect of subordinated obligations of the Issuer (other than claims in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital or Tier 2 Capital, or which would otherwise rank, *pari passu* with, or junior to, the claims in respect of Subordinated Notes);

“**Successor Entity**” means:

- (i) (in respect of an amalgamation of the Issuer and one or more other building societies under section 93 of the Act (or any successor provision thereto)), the resulting building society;
- (ii) (in respect of a transfer by the Issuer of all or substantially all of its engagements under section 94 of the Act (or any successor provision thereto), a transfer by the Issuer of the whole of its business to a company under sections 97 to 102D of the Act (or any successor provisions thereto) or a transfer of the whole of its business to a subsidiary of a mutual society pursuant to any order made by HM Treasury under section 3 of the 2007 Act (or any successor provisions thereto)), the relevant transferee; or
- (iii) (in respect of an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to another type of body authorised under the FSMA or to a body which is regulated on a similar basis to an authorised person under the FSMA), the resulting authorised person under the FSMA or, as the case may be, the resulting body which is regulated on a similar basis to an authorised person under the FSMA.

“**Tier 1 Capital**” and “**Tier 2 Capital**” have the respective meanings given thereto by the Supervisory Authority in accordance with the Applicable Rules (as defined in Condition 6(i)).

2. Condition 3(c) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

No Set-off

Subject to applicable law, no holder of Subordinated Notes may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes, the relative Coupons and each Noteholder and Couponholder of any Subordinated Note shall, by

virtue of being the holder of any such Subordinated Note or Coupon, be deemed to have waived all such rights of set-off. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of Subordinated Notes against the Issuer is discharged by set-off, such Noteholder or Couponholder of Subordinated Notes will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of the winding up or dissolution of the Issuer, the liquidator of the Issuer and accordingly such discharge will be deemed not to have taken place.

3. Condition 6(c) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of such notice referred to below that (i) as a result of any change in or amendment to the laws or regulations of the United Kingdom or any political sub-division of, or any authority in, or of, the United Kingdom having power to tax, or any change in the application or official 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 relevant series, on the next Interest Payment Date the Issuer would be required (A) to pay additional amounts as described under Condition 8 or (B) to account to any taxing authority in the United Kingdom for any amount other than tax withheld or deducted from interest payable on the Notes calculated by reference to any other amount payable in respect of the Notes and (ii) such requirement is continuing and cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, at its option (but subject to Condition 6(i) in the case of Subordinated Notes) having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable) redeem all, but not some only, of the Notes on any Interest Payment Date (if this Note is a Floating Rate Note), at any time (if this Note is not a Floating Rate Note) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption). Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Persons (as defined in the Trust Deed) of the Issuer stating that the relevant requirements referred to above will apply on the next Interest Payment Date and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

4. Condition 6(f) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Redemption Upon Capital Disqualification Event

If this Condition 6(f) is specified as being applicable hereon, then, following the occurrence of a Capital Disqualification Event (as defined below), the Issuer may (subject to Condition 6(i) (*Supervisory Permission*)) on giving not less than thirty nor more than sixty days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the Trustee (with a copy to the Principal Paying Agent) and to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Subordinated Notes at the Capital Disqualification Event Early Redemption Price specified hereon, together with interest accrued and unpaid, if any, to the date fixed for redemption.

Prior to giving the above notice to the Trustee pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that a Capital Disqualification Event has occurred and is continuing, and the Trustee shall accept such certificate

without further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Noteholders.

For these purposes, a "**Capital Disqualification Event**" shall be deemed to have occurred if there is a change (which has occurred or which the Supervisory Authority considers to be sufficiently certain) in the regulatory classification of the Subordinated Notes which becomes effective after the Issue Date, that results, or would be likely to result, in the Subordinated Notes being fully or partially excluded from the Tier 2 Capital of the Issuer.

5. Condition 6(g) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Purchases

The Issuer and any of its Subsidiaries (as defined in the Trust Deed) (subject to obtaining Supervisory Permission therefor in the case of Subordinated Notes) may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

6. Condition 6(i) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Supervisory Permission

The Issuer's right to redeem or purchase Subordinated Notes pursuant to Conditions 6(c) (*Redemption for Taxation Reasons*), 6(d) (*Redemption at the Option of the Issuer*), 6(f) (*Redemption Upon Capital Disqualification Event*) or 6(g) (*Purchases*) is subject to:

- (i) the Issuer obtaining prior Supervisory Permission therefor;
- (ii) in the case of any redemption or purchase, either: (A) the Issuer having replaced the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Supervisory Authority that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any capital buffer requirements) by a margin that the Supervisory Authority considers necessary at such time; and
- (iii) in the case of any redemption prior to the fifth anniversary of the Issue Date, (A) in the case of redemption upon a Taxation Event, the Issuer has demonstrated to the satisfaction of the Supervisory Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Issue Date, or (B) in the case of redemption upon the occurrence of a Capital Disqualification Event, the Issuer has demonstrated to the satisfaction of the Supervisory Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the prevailing Applicable Rules permit the repayment or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6(i), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Prior to the publication of any notice of redemption in respect of Subordinated Notes pursuant to this Condition 6 (other than redemption pursuant to Condition 6(d)), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied and the Trustee shall accept (without further enquiry) such

certificate as sufficient evidence of the satisfaction of the relevant conditions precedent in which event it shall be conclusive and binding on the Trustee and the Noteholders.

In these Conditions:

"Applicable Rules" means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as implementing or regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Supervisory Authority from time to time;

"Supervisory Authority" means the Prudential Regulation Authority and any successor organisation responsible for the prudential supervision of building societies or authorised persons under the FSMA in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction);

"Supervisory Permission" means, in relation to any action in respect of any Subordinated Notes, any required permission of the Supervisory Authority for such action under the prevailing Applicable Rules; and

"Taxation Event" means any of the applicable events or circumstances set out in item (i) of Condition 6(c) (*Redemption for Taxation Reasons*).

7. Condition 10(b) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Subordinated Notes and Enforcement

- (iv) In the event of default being made for a period of seven days or more in the payment of any principal or interest in respect of the Subordinated Notes or any of them, in each case as and when the same ought to be paid, the Trustee may, in order to enforce the obligations of the Issuer under the Trust Deed, the Subordinated Notes and Coupons, at its discretion without further notice, institute proceedings for the winding up of the Issuer and prove in such winding up but may take no other action in respect of such default (except as provided in (ii) below).
- (v) In the event of a winding up or dissolution of the Issuer (other than an Excluded Dissolution), whether or not instituted by the Trustee pursuant to (i) above, the Trustee may give notice to the Issuer (or the relevant official presiding over such winding up or dissolution) that the Subordinated Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount, and shall claim and/or prove in such winding up or dissolution in respect of the Subordinated Notes (such claim ranking as provided in Condition 3(b) and in the Trust Deed).
- (vi) Without prejudice to (i) and (ii) above, the Trustee may institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed or the Subordinated Notes or Coupons (other than any obligation for the payment of any principal or interest in respect of the Subordinated Notes or Coupons including any damages awarded for breach of any obligations) provided that the Issuer shall not by virtue of the institution of any such proceedings (other than proceedings for the winding up of the Issuer) be obliged to pay any sum or sums including any damages awarded for breach of any obligations in respect of the Subordinated Notes or Coupons sooner than the same would otherwise have been payable by it.

(vii) The Trustee shall not be bound to take any of the actions referred to above to enforce the obligations of the Issuer under the Trust Deed and the Subordinated Notes and Coupons, unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Subordinated Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. No such holder shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in any winding up or dissolution of the Issuer, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so, or, being able to prove in any winding up of the Issuer, fails to do so, then any such holder may institute proceedings for the winding up of the Issuer and/or prove in any winding up or dissolution of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of such Notes and/or Coupons held by him.

(viii) No remedy against the Issuer, other than as referred to in this Condition 10(b), shall be available to the Trustee or the Noteholders, whether for the recovery of amounts owing in respect of the Subordinated Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Subordinated Notes or under the Trust Deed. Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

8. Condition 11(b) of the 2017 Conditions shall be deleted in its entirety and replaced with the following text:

Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

To the extent applicable to the Subordinated Notes, no modification to these Conditions or any other provisions of the Trust Deed shall become effective unless (if and to the extent required at the relevant time by the Supervisory Authority) the Issuer shall have given at least 30 days' prior written notice of such modification to, and received the Supervisory Permission therefor from, the Supervisory Authority (or such other period of notice as the Supervisory Authority may from time to time require or accept).