

BARCLAYS PLC  
 Form 424B2  
 December 04, 2013  
Table of Contents

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities Offered</b>	<b>Maximum Aggregate Offering Price<sup>(1)</sup></b>	<b>Amount of Registration Fee<sup>(2)</sup></b>
8.0% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable December 2020 and Every Five Years Thereafter)	\$1,355,100,000	\$174,536.88

- (1) *1,000,000,000 aggregate principal amount of the 8.0% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable December 2020 and Every Five Years Thereafter) will be issued. The Maximum Aggregate Offering Price is based on the December 2, 2013 euro/U.S. dollar closing exchange rate of 1.00 = \$1.3551.*
- (2) *Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.*

---

Table of Contents

Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-173886

Prospectus Supplement to Prospectus dated September 6, 2013

**1,000,000,000 8.0% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities**

**(Callable December 2020 and Every Five Years Thereafter)**

**Barclays PLC**

We, Barclays PLC (the **Issuer**), are issuing 1,000,000,000 aggregate principal amount of 8.0% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable December 2020 and Every Five Years Thereafter) (the **Securities**). From (and including) the date of issuance to (but excluding) December 15, 2020 (such date and each fifth anniversary date thereafter being a **Reset Date**), the interest rate on the Securities will be 8.0% per annum. From (and including) each **Reset Date** to (but excluding) the next following **Reset Date**, the applicable per annum interest rate will be equal to the sum of the applicable Mid-Market Swap Rate (as defined herein) on the relevant **Reset Determination Date** (as defined herein) and 6.75%. The interest rate following any **Reset Date** may be less than the initial interest rate and/or the interest rate that applies immediately prior to such **Reset Date**. Subject to the conditions described herein, interest, if any, will be payable quarterly in arrear on March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2014.

**As described in this prospectus supplement, the terms of the Securities provide that interest on the Securities will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. As described herein, the terms of the Securities also provide for circumstances under which the Issuer shall be restricted from making an interest payment (in whole or in part) on the Securities on an interest payment date, and the interest payable in respect of any such interest payment date shall be deemed cancelled (in whole or in part) and therefore not due and payable. Interest will only be due and payable on an interest payment date to the extent it is not cancelled or deemed cancelled in accordance with the terms of the Securities and as further described herein.**

**The Securities are perpetual and have no fixed maturity or fixed redemption date. As a result of the fact that the Securities are perpetual securities and that interest on the Securities will be due and payable only at our sole discretion and that we may cancel (in whole or in part) any interest payment at any time, we are not required to make any payment of the principal amount of the Securities at any time prior to our winding-up or**

**administration and you may not receive interest on any interest payment date.**

The Securities will constitute our direct, unsecured and subordinated obligations, ranking equally without any preference among themselves, as described herein. Book-entry interests in the Securities will be issued in minimum denominations of 200,000 and in integral multiples of 1,000 in excess thereof.

As described herein, we may, at our option, redeem the Securities, in whole but not in part, on any Reset Date (or at any time in the event of a change in certain U.K. regulatory capital requirements or upon the occurrence of certain tax events as described herein) at 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described herein) to (but excluding) the date fixed for redemption.

**If a Capital Adequacy Trigger Event (as defined herein) occurs, then an Automatic Conversion (as defined herein) will occur on the Conversion Date (as defined herein), at which point all of the Issuer's obligations under the Securities (other than certain Issuer obligations in connection with the Conversion Shares Offer (as defined herein), if any, which are referred to herein as the CSO Obligations) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares (as defined herein) to the Conversion Shares Depository (as defined herein) (or other relevant recipient as described herein), and under no circumstances shall such released obligations be reinstated. The Conversion Shares shall initially be registered in the name of the Conversion Shares Depository (which shall hold the Conversion Shares on behalf of the holders of the Securities) or the relevant recipient in accordance with the terms of Securities. As more fully described herein, the Issuer may elect, in its sole and absolute discretion, that a Conversion Shares Offer be made by the Conversion Shares Depository to all or some of the then existing shareholders of the Issuer. The realizable value of any Conversion Shares received by a holder of the Securities following an Automatic Conversion may be significantly less than the sterling equivalent of the Conversion Price (as defined herein) of 1.99 initially and/or the Conversion Shares Offer Price (as defined herein) of £1.65 initially, and holders of the Securities could lose all or part of their investment in the Securities as a result of the Automatic Conversion.**

Following an Automatic Conversion, the Securities shall remain in existence until the applicable Cancellation Date (as defined herein) for the sole purpose of evidencing (a) the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration (as defined herein), as applicable, from the Conversion Shares Depository and (b) the Issuer's CSO Obligations, if any. All obligations of the Issuer under the Securities (except for the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or other relevant recipient as described herein) on the Conversion Date.

**By its acquisition of the Securities, each holder of the Securities also acknowledges, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined herein) by the relevant U.K. resolution authority (as defined herein) that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the Securities and/or the conversion of all, or a portion, of the principal amount of, or interest on, the Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Securities to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder of the Securities further acknowledges and agrees that the rights of the holders of the Securities are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, the potential conversion of the Securities into shares, other securities or other obligations in connection with the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority is separate and distinct from an Automatic Conversion following a Capital Adequacy Trigger Event.**

**For these purposes, a U.K. Bail-in Power is any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and**

applicable in the United Kingdom to the Issuer or other members of the Group (as defined herein), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime by way of amendment to the Banking Act (as defined herein) or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the relevant U.K. resolution authority is to any authority with the ability to exercise a U.K. Bail-in Power).

By its acquisition of the Securities, each holder of the Securities, to the extent permitted by the U.S. Trust Indenture Act of 1939, as amended (the Trust Indenture Act), also waives any and all claims against the trustee for, agrees not to initiate a suit against the trustee in respect of, and agrees that the trustee shall not be liable for, any action that the trustee takes, or abstains from taking, in either case in accordance with the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the Securities.

The Securities are expected to be provisionally admitted to trading on the main standard segment of the SIX Swiss Exchange AG ( **SIX Swiss Exchange** ) from December 6, 2013. Application will be made to the SIX Swiss Exchange for listing of the Securities. The Securities are a new issue of securities and have no established trading market. There can be no assurance that an active trading market in the Securities will develop, and any trading market that does develop may not be liquid.

*Investing in the Securities involves significant risks. See **Risk Factors** beginning on page S-28 of this prospectus supplement, **Risk Review Risk factors** beginning on page 72 of our Annual Report on Form 20-F for the year ended December 31, 2012, the **Risk Factors** included in our Current Report on Form 6-K, dated September 16, 2013, which are incorporated by reference herein, and the other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the Securities.*

You should reach your own investment decision about the Securities only after consultation with your own financial and legal advisers about risks associated with an investment in the Securities and the suitability of investing in the Securities in light of the particular characteristics and terms of the Securities, which are complex in structure and operation, and of your particular financial circumstances.

The Securities are not deposit liabilities of Barclays PLC and are not insured by the U.S. Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other governmental agency of the United States, the United Kingdom, Canada or any other jurisdiction.

	Price to Public <sup>(1)</sup>	Underwriting Compensation	Proceeds, before expenses, to Barclays PLC
Per Security	100.0%	0.95%	
		0.3% <sup>(2)</sup>	98.75%
<b>Total</b>	<b>1,000,000,000</b>	<b>12,500,000</b>	<b>987,500,000</b>

Note:

(1) Plus accrued interest, if any, from and including December 10, 2013.

(2)

Reflects a structuring fee of 0.3% payable on the aggregate principal amount of the Securities to Barclays Bank PLC.

The underwriters expect to deliver the Securities to purchasers in book-entry form only through the facilities of Clearstream Banking, *société anonyme* ( Clearstream, Luxembourg ) and Euroclear Bank S.A./N.V. ( Euroclear and, together with Clearstream, Luxembourg, the Clearing Systems ) against payment in immediately available funds on or about December 10, 2013. Beneficial interests in the Securities will be held through Clearstream, Luxembourg and/or Euroclear and their respective direct and indirect participants, and such direct and indirect participants will record beneficial interests on their books.

By its acquisition of the Securities, each holder shall also be deemed to have (i) acknowledged and agreed that an interest payment shall not be due and payable on the relevant interest payment date if it has been cancelled or deemed cancelled (in each case, in whole or in part) for any reason in accordance with the terms of the Securities, (ii) consented to (x) the Automatic Conversion, including the appointment of a Conversion Shares Depository and the issuance of the Conversion Shares thereto (and any related Conversion Shares Offer Consideration, including the appointment of any Conversion Shares Offer Agent (as defined herein) and the sale of the Conversion Shares by the Conversion Shares Depository), and acknowledged that such Automatic Conversion of its Securities (and any related Conversion Shares Offer) may occur without any further action on the part of such holder or the trustee and (y) the exercise of any U.K. Bail-in Power as it may be imposed without any prior notice by the relevant U.K. resolution authority of its decision to exercise such power with respect to the Securities and (iii) authorized, directed and requested the Clearing Systems and any direct participant in the Clearing Systems or other intermediary through which it holds such Securities to take any and all necessary action, if required, to implement (x) the Automatic Conversion (including any related Conversion Shares Offer) and (y) the exercise of any U.K. Bail-in Power with respect to the Securities as it may be imposed, without any further action or direction on the part of such holder or the trustee.

**Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of the Securities or determined that this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

*Global Coordinator, Sole Structuring Adviser and Bookrunner*

**Barclays**

*Joint Lead Managers*

**BofA Merrill Lynch**

**COMMERZBANK**

**BNP PARIBAS**

**Credit Suisse**

*Co-Lead Managers*

**Crédit Agricole Corporate and**

**Investment Bank**

**Morgan Stanley**

**ABN AMRO**

**Natixis**

**Standard Chartered Bank**

**Banco Bilbao Vizcaya**

**Argentaria, S.A.**

**Scotiabank**

**TD Securities**

**DBS Bank Ltd.**

**Mizuho Securities**

**SMBC Nikko**

**Wells Fargo Securities**

Prospectus Supplement dated December 3, 2013

Table of Contents

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

	<b>Page Number</b>
<u>Forward-Looking Statements</u>	S-3
<u>Incorporation of Documents by Reference</u>	S-4
<u>Summary</u>	S-5
<u>Risk Factors</u>	S-28
<u>Use of Proceeds</u>	S-47
<u>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities</u>	S-48
<u>Tax Considerations</u>	S-75
<u>Benefit Plan Investor Considerations</u>	S-81
<u>Underwriting</u>	S-82
<u>Conflicts of Interest</u>	S-83
<u>Trading in Ordinary Shares and ADSs by the Issuer and its Affiliates</u>	S-85
<u>Validity of Securities</u>	S-86

**Table of Contents****FORWARD-LOOKING STATEMENTS**

This prospectus supplement and certain documents incorporated by reference herein contain certain forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the

Exchange Act ), and Section 27A of the U.S. Securities Act of 1933, as amended (the Securities Act ), with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. We caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as may, will, seek, continue, aim, anticipate, target, projected, intend, plan, goal, believe, achieve or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the Transform program, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards as issued by the International Accounting Standards Board ( IFRS ), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; U.K. domestic, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market-related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more countries exiting the Eurozone; the ability to implement the Transform program; and the success of future acquisitions, disposals and other strategic transactions. In addition, the Directive that forms part of CRD IV (as defined below) has not been implemented in the United Kingdom, and the PRA (as defined below) may also alter its stated approach to the application of CRD IV in the United Kingdom. Accordingly, the basis on which our CET1 Capital (as defined below) and Risk Weighted Assets (as defined below) are calculated under the CRD IV rules as interpreted by the PRA may be different than the basis on which we currently anticipate they will be calculated. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. The list above is not exhaustive and there are other factors that may cause the Group's actual results to differ materially from the forward-looking statements contained in this prospectus supplement and the documents incorporated by reference herein. You are also advised to read carefully the risk factors set out in the section entitled Risk Factors in this prospectus supplement and in our filings with the U.S. Securities and Exchange Commission (the SEC ) including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2012 and our Current Report on Form 6-K furnished to the SEC on September 16, 2013, which are available on the SEC's website at <http://www.sec.gov>, for a discussion of certain factors that should be considered when deciding what action to take in relation to the Securities.

Any forward-looking statements made herein or in the documents incorporated by reference herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the SIX Swiss Exchange, the SEC or applicable law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements

contained in this prospectus supplement or the documents incorporated by reference herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that we have made or may make in documents we have filed or may file with the SEC.

S-3



---

**Table of Contents**

**INCORPORATION OF DOCUMENTS BY REFERENCE**

This prospectus supplement is part of a registration statement on Form F-3 (File No. 333-173886) we have filed with the SEC under the Securities Act. This prospectus supplement omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in and exhibits to the registration statement for further information on us and the securities we are offering. Statements in this prospectus supplement concerning any document we have filed or will file as an exhibit to the registration statement or that we have otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements.

The SEC allows us to incorporate by reference much of the information we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus supplement is an important part of this prospectus supplement. For information on the documents we incorporate by reference in this prospectus supplement and the accompanying prospectus, we refer you to *Incorporation of Certain Documents by Reference* on page 2 of the accompanying prospectus.

In addition to the documents listed in the accompanying prospectus and the documents incorporated by reference since the date of the accompanying prospectus, we incorporate by reference in this prospectus supplement and the accompanying prospectus any future documents we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until the offering contemplated in this prospectus supplement is completed. Reports on Form 6-K we may furnish to the SEC after the date of this prospectus supplement (or portions thereof) are incorporated by reference in this prospectus supplement only to the extent that the report expressly states that it is (or such portions are) incorporated by reference in this prospectus supplement.

We will provide to you, upon your written or oral request, without charge, a copy of any or all of the documents referred to above or in the accompanying prospectus which we have incorporated in this prospectus supplement by reference. You should direct your requests to Barclays Treasury, Barclays PLC, 1 Churchill Place, London E14 5HP, United Kingdom (telephone: 011-44-20-7116-1000).

For purposes of this prospectus supplement, references to we, us, our, Barclays and the Issuer refer to Barclays PLC (or any successor entity), unless the context indicates otherwise. The term Group shall mean Barclays PLC (or any successor entity) and its consolidated subsidiaries, unless the context indicates otherwise. The term PRA shall mean the Prudential Regulation Authority of the United Kingdom or such other governmental authority in the United Kingdom (or if Barclays PLC becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential supervision of Barclays PLC. References to Clearstream, Luxembourg, Euroclear or the Clearing Systems shall include any successor clearing systems. References to £ and sterling shall be to the lawful currency for the time being of the United Kingdom and references to and euro shall be to the currency introduced at the start of the third stage of European economic and monetary union, as defined in Article 2 of Council Regulation (EC) No. 974/98 of May 3, 1998 on the introduction of the euro.

**NOTICE TO RESIDENTS OF CANADA**

The Issuer beneficially owns the whole of the issued ordinary share capital of Barclays Bank PLC. Barclays Bank PLC, Canada branch is listed on Schedule III to the Bank Act (Canada) and is subject to regulation by the Office of the Superintendent of Financial Institutions (Canada). The Securities will be issued by the Issuer and not by Barclays Bank PLC.

Edgar Filing: BARCLAYS PLC - Form 424B2

The Securities may be sold only to purchasers purchasing as principal that are both accredited investors as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* and permitted clients as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Securities must be made in accordance with an exemption from the prospectus requirements and in compliance with the registration requirements of applicable securities laws.

S-4

**Table of Contents**

**SUMMARY**

*The following is a summary of this prospectus supplement and should be read as an introduction to, and in conjunction with, the remainder of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein. You should base your investment decision on a consideration of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein, as a whole.*

*We will issue the Securities under the Contingent Convertible Securities Indenture between us and The Bank of New York Mellon, London Branch, as trustee, dated November 20, 2013 (the Original Indenture), as supplemented by the Second Supplemental Indenture expected to be entered into on December 10, 2013 between us and The Bank of New York Mellon, London Branch, as trustee (the Second Supplemental Indenture and, together with the Original Indenture, the Indenture). The terms of the Securities include those stated in the Indenture and any supplements thereto, and those terms made part of the Indenture by reference to the Trust Indenture Act. We filed the form of Original Indenture as an exhibit to the post-effective Amendment No. 1 to Form F-3 filed on July 29, 2013, and will file the Second Supplemental Indenture as an exhibit to a report on Form 6-K on or about December 10, 2013.*

*Because this section is a summary, it does not describe every aspect of the Securities in detail. This summary is subject to, and qualified by reference to, the Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities section below, all of the definitions and provisions of the Indenture, any supplement thereto and the Securities. Certain terms used in this prospectus supplement (including in this Summary section), unless otherwise defined herein, have the respective meanings given to them in the Indenture. Words and expressions defined in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities below shall have the same meanings in this summary.*

*Investing in the Securities offered under this prospectus supplement involves significant risk. For a discussion of certain risks that should be considered in connection with an investment in the Securities, see Risk Factors beginning on page S-28 of this prospectus supplement, Risk Review Risk factors beginning on page 72 of our Annual Report on Form 20-F for the year ended December 31, 2012 and our Current Report on Form 6-K, dated September 16, 2013, which are incorporated by reference herein.*

**The Issuer**

Barclays PLC

Barclays PLC, including its subsidiary undertakings, is a major global financial services provider engaged in retail banking, credit cards, corporate banking, investment banking, wealth management and investment management services. Barclays PLC is the ultimate holding company of the Group and one of the largest financial services companies in the world by market capitalization. Barclays PLC beneficially owns the whole of the issued ordinary share capital of Barclays Bank PLC.

**The Securities We Are Offering**

We are offering 1,000,000,000 aggregate principal amount of 8.0% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable December 2020 and Every Five Years Thereafter). The

Securities will constitute a series of Contingent Convertible Securities issued under the Indenture.

**Issue Date**

December 10, 2013.

**Perpetual Securities**

The Securities are perpetual securities and have no fixed maturity or fixed redemption date.

**Price to Public**

100.0%

**Interest Rate**

From (and including) the date of issuance to (but excluding) December 15, 2020, the interest rate on the Securities will be 8.0% per annum. From (and including) each Reset Date to (but excluding)

---

**Table of Contents**

the next following Reset Date, the applicable per annum interest rate will be equal to the sum of the applicable Mid-Market Swap Rate (as defined herein) on the relevant Reset Determination Date (as defined herein) and 6.75%.

**Reset Date**

December 15, 2020 and each fifth anniversary date thereafter, commencing December 15, 2025.

**Reset Determination Date**

The second Payment Business Day immediately preceding each Reset Date.

**Mid-Market Swap Rate**

The mid-market euro swap rate EURIBOR basis having a five-year maturity appearing on Reuters page ISDAFIX2 (or such other page as may replace such page on Reuters, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) at 11:00 a.m. (Frankfurt time) on the relevant Reset Determination Date, as determined by the Calculation Agent. If such swap rate does not appear on such page (or such other page or service), the Mid-Market Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) Five-year Mid-Market Swap Rate Quotations provided by the principal office of each of four major banks in the euro swap rate market (which banks shall be selected by the Calculation Agent in consultation with the Issuer no less than 20 calendar days prior to the relevant Reset Determination Date) (the Reference Banks) at approximately 11:00 a.m. (Frankfurt time) (or thereafter on such date, with the Calculation Agent acting on a best efforts basis) on the relevant Reset Determination Date and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards) of such Five-year Mid-Market Swap Rate Quotations. If the relevant Mid-Market Swap Rate is still not determined on the relevant Reset Determination Date in accordance with the foregoing procedures, the relevant Mid-Market Swap Rate shall be the mid-market euro swap rate EURIBOR basis having a five-year maturity that appeared on the most recent Reuters page ISDAFIX2 (or such other page as may replace such page on Reuters, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) that was last available prior to 11:00 a.m. (Frankfurt time) on each Reset Determination Date, as determined by the Calculation Agent.

Five-year Mid-Market Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap

transaction which: (i) has a term of five years commencing on the applicable Reset Date; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (iii) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis).

**Interest Payment Dates**

March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2014. A payment made on that first interest payment date, if any, would be in respect of the period from (and including) December 10, 2013, to (but excluding) March 15, 2014 (and thus a long first interest period).

---

**Table of Contents**

**Regular Record Dates**

The close of business (in the relevant Clearing System) on the Clearing System Business Day immediately preceding each interest payment date (or, if the Securities are held in definitive form, the 15th business day preceding each interest payment date). The term "Clearing System Business Day" means a day on which each Clearing System for which any global certificate is being held is open for business, and the term "business day" means any weekday, other than one on which banking institutions are authorized or obligated by law to close in London, United Kingdom.

**Interest Payments Discretionary**

Interest on the Securities will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. If the Issuer does not make an interest payment on the relevant interest payment date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

See also "Agreement to Interest Cancellation" and "Notice of Interest Cancellation" below.

**Restriction on Interest Payments**

Subject to the extent permitted in the following paragraph in respect of partial interest payments, the Issuer shall not make an interest payment on the Securities on any interest payment date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such interest payment date)

if:

- (a) the Issuer has an amount of Distributable Items on such interest payment date that is less than the sum of (i) all distributions or interest payments made or declared by the Issuer since the end of the last financial year and prior to such interest payment date on or in respect of any Parity Securities, the Securities and any Junior Securities and (ii) all distributions or interest payments payable by the Issuer (and not cancelled or deemed cancelled) on such interest payment date (x) on the Securities and (y) on or in respect of any Parity Securities, in the case of each of (i) and (ii), excluding any payments already accounted for in determining the Distributable Items; or

- (b) the Solvency Condition (as defined under Ranking below) is not satisfied in respect of such interest payment.

The Issuer may, in its sole discretion, elect to make a partial interest payment on the Securities on any interest payment date, only to the extent that such partial interest payment may be made without breaching the restriction in the preceding paragraph.

Distributable Items shall have the meaning assigned to such term in CRD IV (as the same may be amended or replaced from time to time) as interpreted and applied in accordance with the Capital Regulations then applicable to the Issuer, but amended so that for so long as there is any reference therein to before distributions to holders of own funds instruments it shall be read as a reference to before

S-7



**Table of Contents**

distributions to holders of Parity Securities, the Securities or any Junior Securities. Under CRD IV, as at the date hereof, distributable items means the amount of the profits at the end of the latest financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments less any losses brought forward, profits which are non-distributable pursuant to provisions in legislation or the institution's by-laws and sums placed to non-distributable reserves in accordance with applicable national law or the statutes of the institution, those losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts.

Junior Securities means any ordinary shares, securities or other obligations (including any guarantee, credit support or similar undertaking) of the Issuer ranking, or expressed to rank, junior to the Securities in a winding-up or administration of the Issuer.

Parity Securities means any preference shares, securities or other obligations (including any guarantee, credit support or similar undertaking) of the Issuer ranking, or expressed to rank, *pari passu* with the Securities in a winding-up or administration of the Issuer.

See also Agreement to Interest Cancellation and Notice of Interest Cancellation below.

**Agreement to Interest Cancellation**

By acquiring the Securities, holders of the Securities acknowledge and agree that:

- (a) interest is payable solely at the discretion of the Issuer, and no amount of interest shall become due and payable in respect of the relevant interest period to the extent that it has been (x) cancelled (in whole or in part) by us at our sole discretion and/or (y) deemed cancelled (in whole or in part) as a result of us having insufficient Distributable Items or failing to satisfy the Solvency Condition; and
- (b) a cancellation or deemed cancellation of interest (in each case, in whole or in part) in accordance with the terms of the Indenture shall not constitute a default in payment or otherwise under the terms of the Securities.

Interest will only be due and payable on an interest payment date to the extent it is not cancelled or deemed cancelled in accordance with the

provisions described under Interest Payments Discretionary and Restriction on Interest Payments above. Any interest cancelled or deemed cancelled (in each case, in whole or in part) in the circumstances described above shall not be due and shall not accumulate or be payable at any time thereafter, and holders of the Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

**Notice of Interest Cancellation**

If practicable, we shall provide notice of any cancellation or deemed cancellation of interest (in whole or in part) to the holders of the Securities through the Clearing Systems (or, if the Securities are held in definitive form, to the holders at their addresses shown on the register for the Securities) and to the trustee directly on or prior to the relevant interest payment date. If practicable, we shall endeavor to provide such notice at least five (5) business days prior to the relevant

**Table of Contents**

interest payment date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give holders of the Securities any rights as a result of such failure.

**Ranking**

The Securities will constitute our direct, unsecured and subordinated obligations, ranking equally without any preference among themselves. The rights and claims of the holders of the Securities in respect of or arising from the Securities will be subordinated to the claims of Senior Creditors.

If:

- (a) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except in any such case for a solvent winding-up solely for the purpose of a merger, reconstruction or amalgamation); or
- (b) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend,

then, (1) if such events specified in (a) or (b) above occur before the date on which a Capital Adequacy Trigger Event occurs, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to a holder of Securities if, on the day prior to the commencement of the winding-up or such administration and thereafter, such holder of Securities were the holder of the most senior class of preference shares in the capital of the Issuer, having an equal right to a return of assets in the winding-up or such administration to, and so ranking *pari passu* with, the holders of such class of preference shares (if any) from time to time issued by the Issuer that has a preferential right to a return of assets in the winding-up or such administration, and so ranking ahead of the holders of all other classes of issued shares for the time being in the capital of the Issuer, but ranking junior to the claims of Senior Creditors, and on the assumption that the amount that such holder of Securities was entitled to receive in respect of such preference shares, on a return of assets in such winding-up or such administration, were an amount equal to the principal amount of the relevant Security and (2) if such events specified in (a) or (b) above occur on or after the date on which a Capital Adequacy Trigger Event occurs but before the Conversion Date, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the

Issuer) such amount, if any, as would have been payable to a holder of Securities on a return of assets in such winding-up or such administration if the Conversion Date in respect of an Automatic Conversion had occurred immediately before the occurrence of such events specified in (a) or (b) above.

Furthermore, other than in the event of a winding-up or administration of the Issuer referred to above, payments in respect of or arising from the Securities are conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no sum in respect of or arising from the Securities may fall due and be paid except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (such condition referred to herein as the Solvency Condition ). The Issuer shall be considered to be solvent at a particular point in time if (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) the Balance Sheet Condition has been met.

**Table of Contents**

Senior Creditors means creditors of the Issuer (i) who are unsubordinated creditors; (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up or administration of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer but not further or otherwise; or (iii) whose claims are, or are expressed to be, junior to the claims of other creditors of the Issuer, whether subordinated or unsubordinated, other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the holders of the Securities.

The Balance Sheet Condition shall be satisfied in relation to the Issuer if the value of its assets is at least equal to the value of its liabilities (taking into account its contingent and prospective liabilities), according to the criteria that would be applied by the High Court of Justice of England and Wales (or the relevant authority of such other jurisdiction in which the Issuer may be organized) in determining whether the Issuer is unable to pay its debts under section 123(2) of the U.K. Insolvency Act 1986 or any amendment or re-enactment thereof (or in accordance with the corresponding provisions of the applicable laws of such other jurisdiction in which the Issuer may be organized).

In addition, see Risk Factors *The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders.*

**No Set-off**

Subject to applicable law, no holder of Securities may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the Securities and each holder of Securities shall, by virtue of its holding of any Securities, be deemed to have waived all such rights of set-off, compensation or retention.

**Optional Redemption**

We may, at our option, redeem the Securities, in whole but not in part, on any Reset Date at 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under Interest Payments Discretionary or Restriction on Interest Payments above) to (but excluding) the date fixed for redemption. Any optional redemption will be subject to the provisions described under Notice of Redemption and Condition to Redemption below.

**Regulatory Event Redemption**

If there is a change in the regulatory classification of the Securities that occurs on or after the issue date of the Securities and that does, or would be likely to, result in any of the outstanding aggregate principal amount of the Securities ceasing to be included in, or counting towards, the Group's Tier 1 Capital (a Regulatory Event), we may, at our option, redeem the Securities, in whole but not in part, at a redemption price equal to 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under Interest Payments Discretionary or Restriction on Interest Payments above) to (but excluding) the date fixed for redemption. Any redemption upon the occurrence of a Regulatory Event will be subject to the provisions described under Notice of Redemption and Condition to Redemption below.

S-10

**Table of Contents**

Tier 1 Capital means Tier 1 capital for the purposes of the Capital Regulations (as defined herein).

**Tax Redemption**

We may, at our option, redeem the Securities, in whole but not in part, if we determine that as a result of a change in, or amendment to, the laws or regulations of a taxing jurisdiction, including any treaty to which the relevant taxing jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations (and, for these purposes (a) the failure of regulations applicable to the Securities substantially in the form of the draft U.K. Taxation of Regulatory Capital Securities Regulations 2013 published on November 25, 2013 (the U.K. Taxation of Regulatory Capital Securities Regulations ) to become effective before March 15, 2014 and (b) any material amendment (whether at the time it becomes effective or thereafter) to the final U.K. Taxation of Regulatory Capital Securities Regulations shall each be deemed to be a change in tax law or regulation or the official application or interpretation thereof within the meaning of this provision (referred to herein as a deemed change )) on or after the issue date of the Securities, including a decision of any court or tribunal which becomes effective on or after the issue date of the Securities (and, in the case of a successor entity, which becomes effective on or after the date of that entity's assumption of our obligations):

- (a) we will or would be required to pay holders Additional Amounts (as defined herein);
- (b) we would not be entitled to claim a deduction in respect of any payments in computing our taxation liabilities or the amount of the deduction would be materially reduced;
- (c) we would not, as a result of the Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Securities or any similar system or systems having like effect as may from time to time exist); or
- (d) we would, in the future, have to bring into account a taxable credit if the principal amount of the Securities were written down or the Securities were converted into Conversion Shares

(each such change (or deemed change) in tax law or regulation or the official application or interpretation thereof, a Tax Event ), at a price equal to 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under Interest Payments Discretionary or Restriction on Interest Payments above) to (but excluding) the date fixed for redemption;

*provided that* in the case of each Tax Event, the consequences of the Tax Event cannot be avoided by us taking reasonable measures available to us and *further provided that* if a Tax Event occurs because regulations applicable to the Securities in substantially the form of the U.K. Taxation of Regulatory Capital Securities Regulations do not become effective prior to March 15, 2014

S-11



**Table of Contents**

(a Relevant Tax Event ) and on or after March 15, 2014 there is a change in tax law or regulation (including but not limited to the U.K. Taxation of Regulatory Capital Securities Regulations becoming effective) or the official application or interpretation thereof (a Remediating Change ) which, had such Remediating Change been effective prior to March 15, 2014, would have caused the Relevant Tax Event not to occur, then, from the date on which the Remediating Change is effective, we will no longer have the right to give a notice of redemption in relation to the Relevant Tax Event (but, for the avoidance of doubt, any notice of redemption previously given in relation to the Relevant Tax Event shall continue to be of full force and effect).

Any redemption as a result of a Tax Event will also be subject to the provisions described under Notice of Redemption and Condition to Redemption below.

**Notice of Redemption**

Any redemption of the Securities shall be subject to our giving not less than thirty (30) days , nor more than sixty (60) days , prior notice to the holders of the Securities via each of the Clearing Systems (or, if the Securities are held in definitive form, to the holders at their addresses shown on the register for the Securities) (such notice being irrevocable except in the limited circumstances described in the following paragraph) specifying our election to redeem the Securities and the date fixed for such redemption. Notice by the Clearing Systems to participating institutions and by these participants to street name holders of beneficial interests in the Securities will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

If the Issuer has elected to redeem the Securities but the Solvency Condition is not satisfied in respect of the relevant redemption payment on the applicable redemption date, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect and no payment of the redemption amount will be due and payable. In addition, if the Issuer has elected to redeem the Securities but prior to the payment of the redemption amount with respect to such redemption a Capital Adequacy Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and an Automatic Conversion shall occur as described under Automatic Conversion Upon Capital Adequacy Trigger Event below.

If the Issuer has elected to redeem the Securities but prior to the payment of the redemption amount with respect to such redemption the relevant U.K. resolution authority exercises its U.K. Bail-in Power with respect to

the Issuer, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, and no payment of the redemption amount will be due and payable.

**Condition to Redemption**

Notwithstanding any other provision, we may redeem the Securities (and give notice thereof to the holders of the Securities) only if we have obtained the PRA's prior consent (if such consent is required by the Capital Regulations) for the redemption of the Securities. For more information, see [Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Condition to Redemption](#) below.

**Table of Contents**

**Condition to Repurchase**

The Issuer or any member of the Group may purchase or otherwise acquire any of the outstanding Securities at any price in the open market or otherwise in accordance with the Capital Regulations applicable to the Group in force at the relevant time, and subject to the prior consent of the PRA (if such consent is required by the Capital Regulations) and to applicable law and regulation.

**Capital Adequacy Trigger Event**

A Capital Adequacy Trigger Event shall occur if the fully loaded CET1 Ratio (as defined below) as of any Quarterly Financial Period End Date (as defined below) or Extraordinary Calculation Date (as defined below), as the case may be, is less than 7.00% on such date.

**Conversion Price**

The Conversion Price of the Securities is fixed at 1.99 per Conversion Share, subject to certain anti-dilution adjustments, as described under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution below (the Conversion Price ). On the date of issue of the Securities, the Conversion Price shall be equivalent to the Conversion Shares Offer Price translated into euro at an exchange rate of 1.00 = £0.82896.

**Automatic Conversion Upon Capital Adequacy Trigger Event**

If a Capital Adequacy Trigger Event occurs as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, then an Automatic Conversion will occur on the Conversion Date, as described under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Automatic Conversion Procedure below, at which point all of the Issuer's obligations under the Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The Automatic Conversion shall occur without delay upon the occurrence of a Capital Adequacy Trigger Event.

The Conversion Shares shall initially be registered in the name of the Conversion Shares Depository (which shall hold the Conversion Shares on behalf of the holders of the Securities) or the relevant recipient in accordance with the terms of the Securities and each holder of the Securities shall be deemed to have irrevocably directed the Issuer to issue the Conversion Shares corresponding to the conversion of its holding of Securities to the Conversion Shares Depository (or to such other relevant recipient).

The Issuer shall immediately inform the PRA of the occurrence of a Capital Adequacy Trigger Event and shall deliver an Automatic Conversion Notice to holders of the Securities as described under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Automatic Conversion Procedure below.

Following an Automatic Conversion, no holder of the Securities will have any rights against us with respect to the repayment of the principal amount of the Securities or the payment of interest or any other amount on or in respect of such Securities, which liabilities of the Issuer shall be automatically released and, accordingly, the

S-13

**Table of Contents**

principal amount of the Securities shall equal zero at all times thereafter. Any interest in respect of an interest period ending on any interest payment date falling between the date of a Capital Adequacy Trigger Event and the Conversion Date shall be deemed to have been cancelled upon the occurrence of such Capital Adequacy Trigger Event and shall not be due and payable.

Provided that the Issuer issues the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient as described herein) in accordance with the terms of the Securities as described herein, with effect from the Conversion Date, holders of the Securities shall have recourse only to the Conversion Shares Depository (or to such other relevant recipient, as applicable) for the delivery to them of Conversion Shares or, if the Issuer elects that a Conversion Shares Offer be made as described under Conversion Shares Offer below, of any Conversion Shares Offer Consideration to which such holders are entitled as described herein.

Following the issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities, as applicable) on the Conversion Date, the Securities shall remain in existence until the applicable Cancellation Date for the sole purpose of evidencing (a) the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository (or such other relevant recipient) and (b) the Issuer's CSO Obligations, if any. The Issuer currently expects that beneficial interests in the Securities will be transferrable until the Suspension Date and that any trades in the Securities would clear and settle through the Clearing Systems until such date. However, there is no guarantee that an active trading market will exist for the Securities following the Automatic Conversion. The Securities will cease to be admitted to trading on the SIX Swiss Exchange after the Suspension Date.

Subject to the conditions described under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure below, (a) the Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable, will be delivered to holders of the Securities on the applicable Settlement Date, (b) the cash component, if any, of any Conversion Shares Offer Consideration will be delivered to holders of the Securities on or around the date on which the Conversion Shares Offer Period ends and (c) the Securities shall be cancelled on the applicable Cancellation Date.

The Securities are not convertible into Conversion Shares at the option of the holders at any time.

Notwithstanding any other provision herein, by its acquisition of the Securities, each holder shall (i) agree to all the terms and conditions of the Securities, including, without limitation, those related to (x) the occurrence of a Capital Adequacy Trigger Event and any related Automatic Conversion and (y) the appointment of the Conversion Shares Depository, the issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) and the potential sale of the Conversion Shares pursuant to a Conversion Shares Offer,

S-14

**Table of Contents**

(ii) agree that effective upon, and following, an Automatic Conversion, no amount shall be due and payable to the holders under the Securities and the liability of the Issuer to pay any such amounts (including the principal amount of, or any interest in respect of, the Securities) shall be automatically released, and the holders shall not have the right to give a direction to the trustee with respect to the Capital Adequacy Trigger Event and any related Automatic Conversion and (iii) waive, to the extent permitted by the Trust Indenture Act, any claim against the trustee arising out of its acceptance of its trusteeship for the Securities, including, without limitation, claims related to or arising out of or in connection with a Capital Adequacy Trigger Event and/or any Automatic Conversion.

**Automatic Conversion Procedure**

If a Capital Adequacy Trigger Event has occurred as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, we shall deliver an Automatic Conversion Notice to the trustee and to the holders of the Securities via each of the Clearing Systems:

- (i) in the case of a Capital Adequacy Trigger Event that has occurred as of any Quarterly Financial Period End Date, on or within five (5) business days after the relevant Ordinary Reporting Date; and
- (ii) in the case of a Capital Adequacy Trigger Event that has occurred as of any Extraordinary Calculation Date, on or as soon as practicable after such Extraordinary Calculation Date.

The date on which the Automatic Conversion Notice shall be deemed to have been given shall be the date on which it is dispatched by the Issuer to each of the Clearing Systems (or if the Securities are held in definitive form, to the trustee).

Promptly following its receipt of the Automatic Conversion Notice, pursuant to the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear currently in effect, each of the Clearing Systems shall transmit the Automatic Conversion Notice to the direct participants of such Clearing System holding the Securities at such time.

The Automatic Conversion shall occur on the Conversion Date and all of the Issuer's obligations under the Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the

Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) and the principal amount of the Securities shall equal zero at all times thereafter (although the Tradable Amount shall remain unchanged) as a result of the Automatic Conversion.

Within ten (10) business days following the Conversion Date, the Issuer shall deliver a Conversion Shares Offer Notice to the trustee directly and to the holders of the Securities via each of the Clearing Systems.

The Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Securities, as applicable) shall hold the Conversion Shares on behalf of the holders of the Securities, who



**Table of Contents**

shall be entitled to direct the Conversion Shares Depository or such other recipient, as applicable, to exercise on their behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) except that holders shall not be able to sell or otherwise transfer the Conversion Shares until such time as they have been delivered to holders in accordance with the procedures set forth under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure below.

Once we have delivered the Automatic Conversion Notice to each of the Clearing Systems following the occurrence of a Capital Adequacy Trigger Event (or following an Automatic Conversion (if sooner)), (a) the holders shall have no rights whatsoever under the Indenture or the Securities to instruct the trustee to take any action whatsoever and (b) as of the date of the Automatic Conversion Notice, except for any indemnity and/or security provided by any holder in such direction or related to such direction, any direction previously given to the trustee by any holders shall cease automatically and shall be null and void and of no further effect, except in each case of (a) and (b), with respect to any rights of holders with respect to any payments under the Securities that were unconditionally due and payable prior to the date of the Automatic Conversion Notice or unless the trustee is instructed in writing by us to act otherwise.

**Conversion Shares Offer**

The Issuer may, in its sole and absolute discretion, elect that the Conversion Shares Depository make an offer of all or some of the Conversion Shares to all or some of the Issuer's ordinary shareholders at such time at a cash price per Conversion Share equal to the Conversion Shares Offer Price, subject as provided below (the Conversion Shares Offer). The Issuer may, on behalf of the Conversion Shares Depository, appoint a Conversion Shares Offer Agent to act as placement or other agent to facilitate the Conversion Shares Offer. The Issuer will deliver a Conversion Shares Offer Notice to the trustee directly and to the holders of the Securities via each of the Clearing Systems within ten (10) business days following the Conversion Date specifying whether or not it has elected that a Conversion Shares Offer be conducted. If so elected, the Conversion Shares Offer Period, during which the Conversion Shares Offer may be made, shall end no later than forty (40) business days after the delivery of the Conversion Shares Offer Notice.

Any Conversion Shares Offer shall be made subject to applicable laws and regulations in effect at the relevant time and shall be conducted, if at all, only to the extent that the Issuer, in its sole and absolute discretion, determines that the Conversion Shares Offer is practicable. The Issuer or

the purchasers of the Conversion Shares sold in any Conversion Shares Offer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes referred to in the definition of Conversion Shares Offer Consideration), including the fees of the Conversion Shares Offer Agent, if any. If a prospectus or other offering document is required to be prepared in connection with a Conversion Shares Offer, the Issuer will facilitate the preparation of such prospectus or other offering document, and the Issuer and/or its directors will take responsibility for such prospectus or other offering document, in each case, if and to the extent then required by applicable laws and regulations then in effect. In addition, if so

S-16

**Table of Contents**

requested by the Conversion Shares Depository as offeror, the Issuer shall indemnify the Conversion Shares Depository for any losses incurred in connection with any Conversion Shares Offer.

Upon completion of the Conversion Shares Offer, the Issuer or the Conversion Shares Depository will provide notice to the holders of the Securities of the composition of the Conversion Shares Offer Consideration (and of the deductions to the cash component, if any, of the Conversion Shares Offer Consideration (as set out in the definition of Conversion Shares Offer Consideration)) per 1,000 denomination of the Securities. The Conversion Shares Offer Consideration will be delivered to holders of the Securities pursuant to the procedures set forth under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure below. The Issuer reserves the right, in its sole and absolute discretion,