

BARCLAYS PLC  
Form 424B5  
August 09, 2018  
Table of Contents

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Registration Statement No. 333-223156

Prospectus Supplement to Prospectus dated April 6, 2018

**\$2,500,000,000 7.750% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities**  
**(Callable September 15, 2023 and Every Five Years Thereafter)**

**Barclays PLC**

We, Barclays PLC (the **Issuer** or **Barclays** ), are issuing \$2,500,000,000 aggregate principal amount of 7.750% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable September 15, 2023 and Every Five Years Thereafter) (the **Securities** ). From (and including) the Issue Date (as defined herein) to (but excluding) September 15, 2023 (such date and each fifth anniversary date thereafter being a **Reset Date** ), the interest rate on the Securities will be 7.750% 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 4.842%. 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 December 15, 2018.

We will apply to the London Stock Exchange PLC (the **LSE** ) for the Securities to be admitted to trading on the LSE's International Securities Market (the **ISM** ).

**The ISM is not a regulated market for the purposes of MiFID II (as defined below). The ISM is a market designated for professional investors. Securities admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Listing Authority. The LSE has not approved or verified the contents of either this prospectus supplement or the accompanying prospectus. Neither this prospectus supplement nor the accompanying prospectus comprises (i) a prospectus for the purposes of Part IV of the Financial Services and Markets Act 2000, as amended (the **FSMA** ) or (ii) a base prospectus for the purposes of the Prospectus Directive (as defined herein).**

**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. Any interest cancelled or deemed cancelled (in each case, in whole or in part) in accordance with the terms of the Securities and as further described herein 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.**

**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.**

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**Table of Contents**

The Securities will constitute our direct, unsecured and subordinated obligations, ranking *pari passu* 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 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.

As described herein, we may also, at our option, redeem the Securities, in whole but not in part, 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 Conversion Price (as defined herein) of \$2.14 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.

**The Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients, as defined in the rules set out in the Markets in Financial Instruments Directive 2014/65/EU (as amended or replaced from time to time) and the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) (the PI Rules). Prospective investors are referred to the section headed Prohibition on marketing and sales to retail investors on page S-1 of this prospectus supplement for further information.**

**IMPORTANT PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS. The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance**

**Mediation Directive ), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation ) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**

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**Table of Contents**

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)** The Pricing Agreement (as defined herein) in respect of the Securities may include a legend entitled **Singapore Securities and Futures Act Product Classification** which will state the product classification of the Securities pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA** ). The Issuer will make a determination in relation to the classification of the Securities being offered for purposes of section 309B(1)(a). Any such legend included on the Pricing Agreement will constitute notice to relevant persons for purposes of section 309B(1)(c) of the SFA.

Notwithstanding any other agreements, arrangements, or understandings between us and any holder or beneficial owner of the Securities, by acquiring the Securities, each holder and beneficial owner of the Securities acknowledges, accepts, agrees to be bound by, and consents to, the exercise of any U.K. Bail-in Power (as defined in the accompanying prospectus) by the Relevant U.K. Resolution Authority (as defined in the accompanying prospectus) that may result in: (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Securities; (ii) 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 (and the issue to, or conferral on, the holder or beneficial owner of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in Power. For more information, see the section entitled *Description of Contingent Convertible Securities Agreement with Respect to Exercise of U.K. Bail-in Power* in the accompanying prospectus.

By its acquisition of the Securities, each holder and beneficial owner 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 Bank of New York Mellon, London Branch, as trustee (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. For more information, see the section entitled *Description of Contingent Convertible Securities Agreement with Respect to Exercise of U.K. Bail-in Power* in the accompanying prospectus.

*Investing in the Securities involves risks. We encourage you to read and carefully consider this document in its entirety, in particular the risk factors beginning on page S-20 of this prospectus supplement and risk factors in Risk Review Material existing and emerging risks on pages 79-84 of our Annual Report on Form 20-F for the year ended December 31, 2017, which is 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.*

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.

The Securities are not deposit liabilities of Barclays PLC and are not covered by the U.K. Financial Services Compensation Scheme or 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.

	<b>Price to Public<sup>(1)</sup></b>	<b>Underwriting Compensation</b>	<b>Proceeds, before expenses, to Barclays PLC</b>
Per Security	100%	1.00%	99.00%
<b>Total</b>	<b>\$ 2,500,000,000</b>	<b>\$ 25,000,000</b>	<b>\$ 2,475,000,000</b>

Note:

(1) Plus accrued interest, if any, from and including August 14, 2018.

**Table of Contents**

The underwriters expect to deliver the Securities to purchasers in book-entry form only through the facilities of The Depository Trust Company ( DTC ), on or about August 14, 2018. Beneficial interests in the Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Clearstream Banking S.A. ( Clearstream, Luxembourg ) and Euroclear Bank SA/NV ( Euroclear ).

By its acquisition of the Securities, each holder and beneficial owner of the Securities 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 (or 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 beneficial owner 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 DTC and any direct participant in DTC 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 beneficial owner or the Trustee.

*Sole Structuring Adviser and Sole Bookrunner*

**Barclays**

*Joint Lead Managers*

**BBVA  
Lloyds Securities  
Scotiabank**

**Standard Chartered Bank**

**Deutsche Bank Securities  
Morgan Stanley  
SMBC Nikko  
Swedbank**

**ING  
Natixis  
SOCIETE GENERALE  
UBS Investment Bank**

*Co-Lead Managers*

<b>BANKIA</b>	<b>BMO Capital Markets</b>	<b>BNY Mellon Capital Markets, LLC</b>	<b>Capital One Securities</b>
<b>CIBC Capital Markets</b>	<b>Citizens Capital Markets</b>	<b>Drexel Hamilton</b>	<b>Loop Capital Markets</b>
<b>Mischler Financial Group, Inc.</b>	<b>PNC Capital Markets LLC</b>	<b>SunTrust Robinson Humphrey</b>	<b>TD Securities</b>
<b>The Williams Capital Group, L.P.</b>		<b>US Bancorp</b>	

Prospectus Supplement dated August 7, 2018

**Table of Contents**

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

	<b>Page Number</b>
<u>Prohibition on Marketing and Sales to Retail Investors</u>	S-1
<u>Forward-Looking Statements</u>	S-3
<u>Incorporation of Documents by Reference</u>	S-4
<u>Certain Definitions</u>	S-4
<u>Summary</u>	S-7
<u>Risk Factors</u>	S-20
<u>Use of Proceeds</u>	S-48
<u>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities</u>	S-49
<u>Tax Considerations</u>	S-80
<u>Benefit Plan Investor Considerations</u>	S-86
<u>Underwriting</u>	S-88
<u>Trading in Ordinary Shares by the Issuer and its Affiliates</u>	S-94
<u>Validity of Securities</u>	S-95

**PROSPECTUS**

<u>Forward-Looking Statements</u>	1
<u>Incorporation of Certain Documents by Reference</u>	2
<u>Certain Definitions</u>	3
<u>The Barclays Group</u>	4
<u>Use of Proceeds</u>	5
<u>Description of Debt Securities</u>	6
<u>Description of Contingent Convertible Securities</u>	24
<u>Description of Ordinary Shares</u>	43
<u>Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities</u>	45
<u>Clearance and Settlement</u>	48
<u>Tax Considerations</u>	54
<u>Employee Retirement Income Security Act</u>	74
<u>Plan of Distribution</u>	76
<u>Service of Process and Enforcement of Liabilities</u>	80
<u>Where You Can Find More Information</u>	81
<u>Further Information</u>	82
<u>Validity of Securities</u>	83
<u>Experts</u>	84
<u>Expenses of Issuance and Distribution</u>	85

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**Table of Contents**

**PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS**

The Securities discussed in this prospectus supplement are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors.

In particular, in June 2015, the U.K. Financial Conduct Authority (the FCA ) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the PI Rules ). In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products ( PRIIPs ) became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended) ( MiFID II ) was required to be implemented in EEA member states by 3 January 2018. Together the PI Rules, PRIIPs and MiFID II are referred to as the Regulations.

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Securities.

Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein) including the Regulations.

Certain of the underwriters are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the underwriters, you represent, warrant, agree with and undertake to the Issuer and each of the underwriters that:

1. you are not a retail client (as defined in MiFID II);
2. whether or not you are subject to the Regulations, you will not:
  - (A) sell or offer the Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II);  
or
  - (B) communicate (including the distribution of this prospectus supplement or the accompanying prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (in each case within the meaning of MiFID II).

In selling or offering the Securities or making or approving communications relating to the Securities you may not rely on the limited exemptions set out in the PI Rules;

and

3. you will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) by investors in any relevant jurisdiction. You further acknowledge that no key information document (KID) under PRIIPs has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under PRIIPs.

S-1

**Table of Contents**

**IMPORTANT - PRIIPS REGULATION PROHIBITION OF SALES TO EEA RETAIL INVESTORS** The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 MiFID II; or (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the underwriters the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

S-2

**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 the Group (as defined below). We caution readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures 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, expect, estimate, intend, plan, goal, words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS 9 impacts 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 ( IFRS ) including the implementation of IFRS 9, 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 applicable to past, current and future periods; United Kingdom ( U.K. ), United States, Eurozone and global macroeconomic and business conditions; the effects of any 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 any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the U.K. of Article 50 of the Treaty of Lisbon and the disruption that may result in the U.K. and globally from the withdrawal of the U.K. from the European Union; and the success of future acquisitions, disposals and other strategic transactions. 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, expectations and guidance set forth in the Group's forward-looking statements. The list above is not exhaustive and there are other factors that may cause our 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 Exchange Commission (the SEC ), including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed with the SEC on February 22, 2018 (the 2017 Form 20-F ), 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 PRA (as defined below), the Financial Conduct Authority (the FCA ), the LSE, the SEC or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this prospectus supplement or in the documents incorporated by reference herein to reflect any change in Barclays' 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 Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has 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. 333-223156) 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. 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 4 of the accompanying prospectus. In particular, we refer you to the 2017 Form 20-F for a discussion of our audited results of operations and financial condition as of, and for the year ended, December 31, 2017 and our Current Reports on Form 6-K filed on March 29, 2018 (Film No. 18722225), April 20, 2018 (Film No. 18765638), April 26, 2018 (Film No. 18777099), May 21, 2018 (Film No. 18849189) and August 2, 2018 (Film No. 18987356), which are incorporated by reference into this prospectus supplement.

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).

**CERTAIN DEFINITIONS**

For purposes of this prospectus supplement:

Barclays Bank refers to Barclays Bank PLC (or any successor entity);

BBUKPLC refers to Barclays Bank UK PLC (or any successor entity);

Capital Regulations means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities

and/or loss absorbing capacity for credit institutions of either (i) the PRA and/or (ii) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be organized or domiciled) and applicable to the Group including, as at the date hereof, CRD IV and related technical standards;

CET1 Capital means, at any time, the sum, expressed in pounds sterling, of all amounts that constitute common equity tier 1 capital of the Group at such time, less any deductions from common

**Table of Contents**

equity tier 1 capital required to be made at such time, in each case as determined by the Issuer on a consolidated basis in accordance with the Capital Regulations applicable to the Group at such time (which determination shall be binding on the Trustee and the holders). For the purposes of this definition, the term common equity tier 1 capital shall have the meaning assigned to such term in the Capital Regulations then applicable to the Group;

The Depository Trust Company or DTC shall include any successor clearing system;

CRD IV means the legislative package consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time, and the CRD IV Regulation;

CRD IV Regulation means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time;

Distributable Items shall have the meaning assigned to such term in 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 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 last 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;

fully loaded means, in relation to a measure that is presented or described as being on a fully loaded basis, that such measure is determined without applying the transitional provisions set out in Part Ten of the CRD IV Regulation in accordance with the Capital Regulations applicable to the Issuer as at the time such measure is determined;

fully loaded CET1 Ratio means, at any time, the ratio of CET1 Capital at such time to the Risk Weighted Assets at such time, expressed as a percentage and on the basis that all measures used in such calculation shall be determined on a fully loaded basis;

Group refers to Barclays PLC (or any successor entity) and its consolidated subsidiaries;

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;

£ and sterling shall refer to the lawful currency for the time being of the United Kingdom;

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;

PRA means the Prudential Regulation Authority of the United Kingdom or such other governmental authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential supervision of the Issuer;

Risk Weighted Assets means, at any time, the aggregate amount, expressed in pounds sterling, of the risk weighted assets of the Group at such time, as determined by the Issuer on a consolidated basis in accordance with the Capital Regulations applicable to the Group at such time (which determination shall be binding on the Trustee and the holders and beneficial owners of the Securities). For the

**Table of Contents**

purposes of this definition, the term risk weighted assets means the risk weighted assets or total risk exposure amount, as determined by the Issuer in accordance with the Capital Regulations applicable to the Group;

Tier 1 Capital means Tier 1 Capital for the purposes of the Capital Regulations;

Tier 2 Capital means Tier 2 Capital for the purposes of the Capital Regulations;

US\$, \$ and U.S. dollars shall refer to the lawful currency for the time being of the United States; and

we, us, our, Barclays and the Issuer refer to Barclays PLC (or any successor entity), unless the context requires otherwise.

**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. Words and expressions defined in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities below shall have the same meanings in this summary and capitalized terms used in this summary but not otherwise defined in this summary shall have the meaning given to them in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities below.*

**The Issuer**

Barclays PLC

The Group is a transatlantic consumer and wholesale bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in the Group's two home markets of the U.K. and the U.S. The Group is focused on two core divisions: Barclays UK and Barclays International.

Both Barclays UK and Barclays International have historically operated within the legal entity Barclays Bank PLC. However, on April 1, 2018, the Barclays UK division formally separated into a new legal entity BBUKPLC, which is the UK ring-fenced bank. BBUKPLC offers everyday products and services to retail and consumer customers and small to medium sized enterprises based in the U.K. Products and services designed for the Group's larger corporate, wholesale and international banking clients will continue to be offered by Barclays International from within Barclays Bank PLC. BBUKPLC will operate alongside, but have the ability to take decisions independently from, Barclays Bank PLC as part of the Group under the Issuer.

The Issuer is the ultimate holding company of the Group.

**The Securities We Are Offering**

We are offering \$2,500,000,000 aggregate principal amount of 7.750% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable September 15, 2023 and Every Five Years Thereafter). The Securities will constitute a series of Contingent Convertible Securities issued under the Indenture (as defined below).

<b>Issue Date</b>	August 14, 2018 (the Issue Date ).
<b>Perpetual Securities</b>	The Securities are perpetual securities and have no fixed maturity or fixed redemption date.
<b>Price to Public</b>	100%.

S-7

**Table of Contents**

<b>Interest Rate</b>	From (and including) the Issue Date to (but excluding) September 15, 2023, the interest rate on the Securities will be 7.750% per annum. From (and including) each Reset Date to (but excluding) the next following Reset Date (each such period, a <i>Reset Period</i> ), the applicable per annum interest rate (the <i>Subsequent Interest Rate</i> ) will be equal to the sum of the applicable Mid-Market Swap Rate (as defined herein, such term subject to any replacement or fallback rate as described under <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Determination of Subsequent Interest Rate</i> below) on the relevant Reset Determination Date (as defined herein) and 4.842% (the <i>Margin</i> ).
<b>Reset Date</b>	September 15, 2023 and each fifth anniversary date thereafter.
<b>Reset Determination Date</b>	The second Business Day (as defined herein) immediately preceding each Reset Date.
<b>Mid-Market Swap Rate and Fallbacks</b>	<p>Mid-Market Swap Rate is the mid-market U.S. dollar swap rate LIBOR basis having a five-year maturity appearing on Bloomberg page <i>USISDA05</i> (or such other page as may replace such page on Bloomberg, 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 (the <i>Relevant Screen Page</i>)) at approximately 11:00 a.m. (New York time) on the relevant Reset Determination Date, as determined by the Calculation Agent (as defined herein).</p> <p>If such swap rate does not appear on the Relevant Screen Page (in circumstances other than those described under <i>Replacement Benchmark</i> below), the relevant Subsequent Interest Rate shall instead be determined as set out under <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Determination of Subsequent Interest Rate Mid-Market Swap Rate and Fallbacks</i> below.</p>
<b>Replacement Benchmark</b>	If the Issuer determines that the Mid-Market Swap Rate has ceased to be published on the Relevant Screen Page as a result of such rate ceasing to be calculated or administered when any rate of interest remains to be determined by such Mid-Market Swap Rate, then the relevant Subsequent Interest Rate shall instead be determined as set out under <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Determination of Subsequent Interest Rate Replacement Benchmark</i> below.



**Table of Contents**

<b>Interest Payment Dates</b>	March 15, June 15, September 15 and December 15 of each year, commencing on December 15, 2018. A payment made on that first Interest Payment Date, if any, would be in respect of the period from (and including) August 14, 2018, to (but excluding) December 15, 2018 (and thus a long first interest period).
<b>Regular Record Dates</b>	The Business Day immediately preceding each Interest Payment Date (or, if the Securities are held in definitive form, the 15 <sup>th</sup> Business Day preceding each Interest Payment Date).
<b>Day Count</b>	30/360, Following, Unadjusted.
<b>Business Day</b>	The term <b>Business Day</b> means any weekday, other than one on which banking institutions are authorized or obligated by law, regulation or executive order to close in London, United Kingdom, or in New York City.
<b>Interest Payments Discretionary</b>	<p>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.</p> <p>See also <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Agreement to Interest Cancellation</i> and <i>Notice of Interest Cancellation</i> below.</p>
<b>Restriction on Interest Payments</b>	Subject to terms described below under <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Restriction on Interest Payments</i> and the extent permitted therein 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:

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**Table of Contents**

(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 below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking*) is not satisfied in respect of such interest payment.

See also *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Agreement to Interest Cancellation* and *Notice of Interest Cancellation* below.

**Agreement to Interest Cancellation**

By subscribing for, purchasing or otherwise 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 the Issuer at its 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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Payments Discretionary* and *Interest Cancellation Restriction on Interest Payments* below. 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

S-10

**Table of Contents**

Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

**Ranking**

The Securities will constitute our direct, unsecured and subordinated obligations, ranking *pari passu* without any preference among themselves. In the event of our winding up or administration, the rights and claims of the holders of the Securities in respect of or arising from the Securities (including any damages (if payable)) will be subordinated to the claims of Senior Creditors.

The claim of a holder of Securities is also subject to the ranking provisions described below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking*.

**No Set-off**

The Securities are subject to the waiver of set-off provisions set forth in the accompanying prospectus under *Description of Contingent Convertible Securities No Set-off*.

**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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Interest Payments Discretionary* or *Restriction on Interest Payments* below) to (but excluding) the date fixed for redemption.

Any optional redemption will be subject, among other things, to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Notice of Redemption* and *Condition to Redemption* below.

**Regulatory Event Redemption**

We may, at our option, at any time, redeem the Securities, in whole but not in part, upon the occurrence of a Regulatory Event (as defined below) on the terms and subject to the conditions set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Regulatory Redemption* below.

Any such redemption will be subject, among other things, to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Notice of Redemption* and *Condition to Redemption* below.

S-11

**Table of Contents**

**Tax Redemption**

We may, at our option, redeem the Securities, in whole but not in part, at any time, if we determine that a Tax Event (as defined below) occurred, on the terms and subject to the conditions set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Tax Redemption* below.

Any such redemption will be subject, among other things, to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Notice of Redemption* and *Condition to Redemption* below.

**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 and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations) and to applicable law and regulation.

**Automatic Conversion Upon Capital Adequacy Trigger Event**

If a Capital Adequacy Trigger Event (as defined herein) occurs, then an Automatic Conversion will occur on the Conversion Date, on the terms and subject to the conditions and procedures set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event* 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 at the Conversion Price, 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.

A Capital Adequacy Trigger Event shall occur if at any time the fully loaded CET1 Ratio (as defined herein) is less than 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and holders of the Securities.

Conversion Shares means the ordinary shares of the Issuer to be issued to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) following an Automatic Conversion, which

S-12

**Table of Contents**

ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of the Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of ordinary shares.

**Conversion Price**

The Conversion Price of the Securities is fixed at \$2.14 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 Issue Date, the Conversion Price is equivalent to the Conversion Shares Offer Price (as defined herein) translated into U.S. dollars at an exchange rate of £1.00 = \$1.294.

**Conversion Shares Offer**

No later than ten (10) Business Days following the Conversion Date, 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, on the terms and subject to the conditions and procedures set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer*.

Conversion Shares Offer Price means £1.65 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).

**Conversion Shares Offer Consideration**

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 (as defined below) (and of the deductions from the cash component, if any, of the Conversion Shares Offer Consideration (as defined below)) per \$1,000 Tradable Amount (as defined below) 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.

Conversion Shares Offer Consideration means in respect of each Security (i) if all of the Conversion Shares are sold in the Conversion Shares Offer, the *pro rata* share of the cash

S-13

**Table of Contents**

proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs), (ii) if some but not all of the Conversion Shares are sold in the Conversion Shares Offer, (x) the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs) and (y) the *pro rata* share of the Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Security rounded down to the nearest whole number of Conversion Shares, and (iii) if no Conversion Shares are sold in a Conversion Shares Offer, the relevant Conversion Shares attributable to such Security rounded down to the nearest whole number of Conversion Shares, subject in the case of (i) and (ii)(x) above to deduction from any such cash proceeds of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the transfer of any interest in the Conversion Shares to the Conversion Shares Depository as a consequence of the Conversion Shares Offer.

**Agreement with Respect to the Exercise of U.K. Bail-in Power**

Notwithstanding any other agreements, arrangements, or understandings between us and any holder of the Securities, by acquiring the Securities, each holder of the Securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power by the Relevant U.K. Resolution Authority that may result in (i) the reduction or cancellation of all, or a portion of, the principal amount of, or interest on, the Securities; (ii) 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 (and the issue to, or conferral on, the holder of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in Power. For more information, see *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus.

**Repayment of Principal and Payment of Interest After Exercise of U.K. Bail-In Power**

No repayment of the principal amount of the Securities or payment of interest on the Securities shall become due and payable after the exercise of any U.K. Bail-in Power by the

S-14

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**Table of Contents**

Relevant U.K. Resolution Authority unless such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of the United Kingdom and the European Union applicable to the Issuer.

**Enforcement Events and Remedies**

*Winding-up*

If a Winding-up Event occurs before the occurrence of a Capital Adequacy Trigger Event, subject to provisions described below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking*, the principal amount of the Securities will become immediately due and payable.

For the avoidance of doubt, as the principal amount of the Securities will become immediately due and payable upon a Winding-up Event that occurs before the occurrence of a Capital Adequacy Trigger Event, neither the Trustee nor the holders of the Securities are required to declare such principal amount to be due and payable.

A Winding-up Event with respect to the Securities shall result if (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding-up which is not successfully appealed within 30 days of the making of such order, (ii) our shareholders adopt an effective resolution for our winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend.

*Non-payment*

If we fail to pay any amount that has become due and payable under the Securities and such failure continues for 14 days, the Trustee may give us written notice of such failure. If within a period of 14 days following the provision of such notice, the failure continues and has not been cured nor waived (a Non-Payment Event), the Trustee may, at its discretion and without further notice to us, institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding-up and/or prove in our winding-up and/or claim in our liquidation or administration. For the avoidance of doubt, no interest will be due and payable if such interest has been cancelled or is deemed cancelled (in each case, in whole or in part) as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities*



Table of Contents

*Interest Payments Discretionary and Interest Cancellation Restriction on Interest Payments* below. Accordingly, no default in payment under the Securities will have occurred or be deemed to have occurred in such circumstances.

*Limited remedies for breach of obligations (other than non-payment)*

In addition to the remedies for non-payment provided above, the Trustee may without further notice institute such proceedings against us as it may think fit to enforce any term, obligation or condition binding on us under the Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the Securities or the Indenture, including payment of any principal or interest, (including Contingent Convertible Additional Amounts (as defined in the accompanying prospectus)) (a Performance Obligation ); provided always that the Trustee (acting on behalf of the holders of the Securities) and the holders of the Securities may not enforce, and may not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a Monetary Judgment ), except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. For the avoidance of doubt, the sole and exclusive manner by which the Trustee (acting on behalf of the holders of the Securities) and the holders of the Securities may seek to enforce or otherwise claim a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation shall be by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer.

By its acquisition of the Securities, each holder of the Securities acknowledges and agrees that such holder will not seek to enforce or otherwise claim, and will not direct the Trustee (acting on behalf of the holders of the Securities) to enforce or otherwise claim, a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation, except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. See *Risk Factors Risks Relating to the Securities Holders of the Securities will have limited remedies.*

*No other remedies*

Other than the limited remedies specified herein under *Enforcement Events and Remedies* above and subject to

S-16

**Table of Contents**

*Trust Indenture Act remedies* below, no remedy against us will be available to the Trustee (acting on behalf of the holders of the Securities) or the holders of the Securities whether for the recovery of amounts owing in respect of such Securities or under the Indenture or in respect of any breach by us of any of our obligations under or in respect of the terms of the Securities or under the Indenture in relation thereto; *provided, however*, that such limitation shall not apply to our obligations to pay the fees and expenses of, and to indemnify, the Trustee (including fees and expenses of Trustee's counsel) and the Trustee's rights to apply money collected to first pay its fees and expenses shall not be subject to the subordination provisions set forth in the Indenture.

*Trust Indenture Act remedies*

Notwithstanding the limitation on remedies specified herein under *Enforcement Events and Remedies* above, (1) the Trustee will have such powers as are required to be authorized to it under the Trust Indenture Act in respect of the rights of the holders of the Securities under the provisions of the Indenture and (2) nothing shall impair the right of a holder of the Securities under the Trust Indenture Act, absent such holder's consent, to sue for any payment due but unpaid with respect to the Securities; *provided that*, in the case of each of (1) and (2) above, any payments in respect of, or arising from, the Securities, including any payments or amounts resulting or arising from the enforcement of any rights under the Trust Indenture Act in respect of the Securities, are subject to the subordination provisions set forth in the Indenture.

An Automatic Conversion will not constitute a default under the Indenture.

Under the terms of the Indenture, the exercise of the U.K. Bail-in Power by the Relevant U.K. Resolution Authority with respect to the Securities is not a Winding-up Event, a Non-Payment Event, a default in payment or otherwise.

**Book-Entry Issuance, Denominations, Settlement and Clearance**

We will issue the Securities in fully registered form. Book-entry interests in the Securities will be issued in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof (the denomination of each book-entry interest being the *Tradable Amount* of such book-entry interest). The Securities will be represented by one or more global certificates registered in the name of a nominee of DTC. You will hold beneficial interests in the Securities through DTC and its direct and indirect participants, including Euroclear and Clearstream, Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books. We will not issue certificated Securities except in limited circumstances that we

S-17

**Table of Contents**

explain under *Description of Certain Provisions relating to Debt Securities and Contingent Convertible Securities Special Situations When a Global Security Will Be Terminated* in the accompanying prospectus. Settlement of the Securities will occur through DTC in same day funds. For information on DTC's book-entry systems, see *Clearance and Settlement The Clearing Systems DTC* in the accompanying prospectus.

**Conflicts of Interest**

Barclays Capital Inc. is an affiliate of Barclays PLC and, as such, has a conflict of interest in this offering within the meaning of the Financial Industry Regulatory Authority ( FINRA ) Rule 5121 (or any successor rule thereto) ( Rule 5121 ). In addition, Barclays PLC will receive the net proceeds (excluding the underwriting discount) from the offering of the Securities, which creates an additional conflict of interest within the meaning of Rule 5121. Consequently, this offering is being conducted in compliance with the provisions of Rule 5121, which requires that a qualified independent underwriter participate in the preparation of this prospectus supplement and will discharge the responsibilities of a qualified independent underwriter contemplated in the FINRA Rules. For more information, see *Underwriting Conflicts of Interest*. Morgan Stanley & Co. LLC will act as qualified independent underwriter in respect of the offering of the Securities. Barclays Capital Inc. is not permitted to sell Securities in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

**ISIN**

US06738EBA29

**CUSIP**

06738E BA2

**Common Code**

186557115

**Financial Short Name ( FISN )**

BARCLAYS PLC/NT CONV PERP SUB

**Classification of Financial Instruments  
( CFI ) Code**

DCFUQR

**Legal Entity Identifier ( LEI ) Code**

213800LBQA1Y9L22JB70

**Listing and Trading**

We will apply to the LSE for the Securities to be admitted to trading on the ISM. The ISM is not a regulated market for the purposes of MiFID II.

The Securities will cease to be admitted to trading on the ISM on the date that the ISM has been notified to cancel the Securities or after the Suspension Date, as applicable, in accordance with the terms of the Securities and, in each case,

S-18

**Table of Contents**

subject to receipt by the ISM of any notice by the Issuer required under the ISM's rules and operating procedures.

**Trustee and Principal Paying Agent**

The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, will act as the Trustee and initial principal paying agent for the Securities.

**Calculation Agent**

The Bank of New York Mellon, London Branch, or its successor appointed by the Issuer.

**Timing and Delivery**

We currently expect delivery of the Securities to occur on August 14, 2018.

**Further Issues**

We may, without the consent of the holders of the Securities, issue additional securities having the same ranking and same interest rate, interest cancellation terms, redemption terms, Conversion Price and other terms as the Securities described in this prospectus supplement except for the price to the public and issue date (the "additional securities"). Any such additional securities, together with the Securities offered by this prospectus supplement, will constitute a single series of securities under the Indenture. There is no limitation on the amount of Securities or other debt securities that we or our subsidiaries may issue under the Indenture and there is no restriction on us issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.

**Use of Proceeds**

We intend to use the proceeds of the offering for general corporate purposes of the Issuer and its subsidiaries and/or the Group and to strengthen further the capital base of the Issuer and its subsidiaries and/or the Group.

**Governing Law**

The Indenture and the Securities will be governed by, and construed in accordance with, the laws of the State of New York, except for the waiver of set-off provisions and subordination provisions in Section 5.04(d) and Section 12.01, respectively, of the Base Indenture, which will be governed by English law.

**Risk Factors**

Investing in the Securities offered under this prospectus supplement involves 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-20 of this prospectus supplement and *Risk Review Risk factors* on pages 79-84 of the 2017 Form 20-F.

**Table of Contents****RISK FACTORS**

*You should carefully consider the risks described below and all of the information contained and incorporated by reference in this document before you decide whether to acquire the Securities.*

*Investing in the Securities offered under this prospectus supplement involves significant risks. You should reach your own investment decision only after consultation with your own financial, legal and tax advisers (as you deem appropriate) 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 and of your particular financial circumstances. As part of making an investment decision, you should make sure you thoroughly understand the Securities terms, such as the provisions governing an Automatic Conversion (including, in particular, the circumstances under which a Capital Adequacy Trigger Event may occur), the agreement by you to be bound by the exercise of any U.K. Bail-in Power by the Relevant U.K. Resolution Authority, that interest is due and payable only at the sole discretion of the Issuer, and that there is no scheduled repayment date for the principal of the Securities. You should also carefully consider the risk factors and the other information contained in this prospectus supplement and our 2017 Form 20-F and the other information included and incorporated by reference in this prospectus supplement or the accompanying prospectus before deciding to invest in the Securities and you should evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect an investment in the Securities and your ability to bear the loss of all or a portion of your investment. If any of the risks described herein (including the risks described in the documents incorporated by reference in this prospectus supplement or the accompanying prospectus) materializes, our business, financial condition and results of operations could suffer, the Securities could be subject to Automatic Conversion and/or the U.K. Bail-in Power, and the trading price and liquidity of the Securities and/or our ordinary shares could decline, in which case you could lose some or all of the value of your investment. Terms defined in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities have the same meanings in this risk factor section.*

**Risks Relating to the Securities**

***The Securities have no scheduled maturity and you do not have the right to cause the Securities to be redeemed or otherwise accelerate the repayment of the principal amount of the Securities except in very limited circumstances.***

The Securities are perpetual securities and have no fixed maturity date or fixed redemption date. Accordingly, we are under no obligation to repay all or any part of the principal amount of the Securities, we have no obligation to redeem the Securities at any time and you have no right to call for their redemption or otherwise accelerate the repayment of the principal amount of the Securities (except in the very limited circumstances of automatic acceleration following a Winding-up Event as described under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Enforcement Events and Remedies below).

***Interest on the Securities will be due and payable only at the sole and absolute discretion of the Issuer, and we may cancel interest payments (in whole or in part) at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto.***

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. Interest will only be due and payable on an Interest Payment Date to the extent it is not cancelled in accordance with the terms of the Securities. 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.

S-20

**Table of Contents**

Because the Securities are intended to qualify as additional tier 1 capital under CRD IV, the Issuer may cancel (in whole or in part) any interest payment on the Securities at its discretion and may pay dividends on its ordinary or preference shares notwithstanding such cancellation. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

Cancelled interest 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. Furthermore, no cancellation of interest in accordance with the terms of the Indenture shall constitute a default in payment or otherwise under the terms of the Securities. If practicable, we shall provide notice of any cancellation of interest (in whole or in part) to the holders of the Securities through DTC. If practicable, we shall endeavor to provide such notice at least five (5) Business Days prior to the relevant Interest Payment Date. However, failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give holders of the Securities any rights as a result of such failure.

Barclays' current dividend policy provides that in determining any proposed dividend and the appropriate payout ratio, our Board of Directors (the "Board") will consider, among other things, the expectation of servicing more senior securities. The Securities are senior in rank to ordinary shares. It is the Board's current intention that, whenever exercising its discretion to declare ordinary share dividends, or its discretion to cancel interest on the Securities, the Board will take into account the relative ranking of these instruments in our capital structure. However, subject to any applicable law, the Board may at any time depart from the above policy at its sole discretion.

***In addition to our right to cancel (in whole or in part) interest payments at any time, the terms of the Securities also restrict us from making interest payments on the Securities in certain circumstances, in which case such interest shall be deemed to have been cancelled. Interest that is deemed cancelled shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto.***

Subject to terms described below under "Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Restriction on Interest Payments" and the extent permitted therein 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 is not satisfied in respect of such interest payment.

Although the Issuer may, in its sole discretion, elect to make a partial interest payment on the Securities on any Interest Payment Date, it may only do so to the extent that such partial interest payment may be made without breaching the restrictions in paragraphs (a) and (b) above. In addition, the Issuer may elect to make a full or partial interest payment with respect to any Parity Security without making a full or partial interest payment on the Securities

on any Interest Payment Date.

The Issuer shall be responsible for determining compliance with this restriction, and neither the Trustee nor any agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

S-21

**Table of Contents**

Any interest deemed cancelled on any relevant Interest Payment Date 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 deemed cancellation. Furthermore, no cancellation of interest in accordance with the terms of the Securities shall constitute a default in payment or otherwise under the terms of the Securities. If practicable, we shall provide notice of any deemed cancellation of interest (in whole or in part) to the holders of the Securities through DTC. If practicable, we shall endeavor to provide such notice at least five (5) Business Days prior to the relevant Interest Payment Date. However, failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give holders of the Securities any rights as a result of such failure.

***CRD IV imposes capital and regulatory requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities.***

The capital and regulatory framework to which the Group is subject imposes certain requirements for the Group to hold sufficient levels of capital, including CET1 Capital, leverage and additional loss absorbing capacity (including MREL and TLAC (as both terms are defined below)). A failure to comply with such requirements, as the same may be amended from time to time, may result in restrictions on the Issuer's ability to make discretionary distributions (including on the Securities) in certain circumstances.

In particular, CRD IV imposes certain restrictions on institutions that fail to meet the combined buffer requirement, as described in further detail below, which may result in the Issuer having to reduce or cancel interest payments on the Securities. The CRD IV requires member states of the European Union (the EU) to impose capital buffer requirements that are additional to the Pillar 1 own funds requirement and are required to be met with common equity tier 1 capital. The CRD IV capital buffers, as currently implemented in the U.K. and which broadly make up the combined buffer requirement, are: (i) the capital conservation buffer, (ii) the institution-specific counter-cyclical buffer, (iii) the global systemically important institutions buffer and (iv) the systemic risk buffer. Subject to a transitional period which commenced on January 1, 2016, these CRD IV capital buffers are applicable to the Group at a level as determined from time to time by the relevant designated authority in the U.K. other than the systemic risk buffer which is expected to be set by the PRA for the first time in early 2019. In addition, counter-cyclical buffers as determined by other national authorities in relation to the Group's exposures in their jurisdictions started to apply from 2016 and have continued since. Please see pages 137-143 of the 2017 Form 20-F, for further information.

Furthermore, national supervisors may require additional capital to be held by an institution to cover its idiosyncratic risks which the supervisor assesses are not fully captured by the Pillar 1 own funds requirement. This additional capital requirement, referred to as Pillar 2A, derives from the Issuer's individual capital guidance, which is a point in time and confidential assessment that, in respect of U.K. firms, is made by the PRA, at least annually, and is expected to vary over time. The Group's Pillar 2A requirement for 2018 is equivalent to 4.3% of Risk Weighted Assets. Under current PRA requirements, the Pillar 2A must be met with at least 56% common equity tier 1 capital and no more than 25% tier 2 capital. In addition, the capital that firms use to meet their minimum requirements (Pillar 1 own funds and Pillar 2A) cannot be counted towards meeting the combined buffer requirement (which is described below), meaning that the combined buffer requirement will effectively be applied above both the Pillar 1 own funds and Pillar 2A requirements.

Under Article 141 (*Restrictions on distributions*) of the CRD IV, member states of the EU must require that institutions that fail to meet the combined buffer requirement will be subject to restricted discretionary payments (which are defined broadly by CRD IV as payments relating to common equity tier 1, variable remuneration and

payments on additional tier 1 instruments).

The combined buffer requirement , and the associated restrictions under Article 141 (*Restrictions on distributions*) of CRD IV, as implemented in the U.K. (the Article 141 Restrictions ), have applied since

S-22

**Table of Contents**

January 1, 2016 and will be transitioned in at a rate of 25% per annum. In the event of a breach of the combined buffer requirement, the Article 141 Restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits of the institution since the last decision on the distribution of profits or discretionary payment of the institution. Such calculation will result in a maximum distributable amount in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement (as applicable at Group level) the Issuer's discretionary payments will be restricted and the Issuer may exercise its discretion to cancel (in whole or in part) interest payments in respect of the Securities.

In addition to the Pillar 1 own funds requirement, the Pillar 2A requirement and the combined buffer requirement, there are additional tools that the PRA and other relevant authorities in the U.K. have, or are expected to have, available to them to require U.K. firms to hold additional capital to address micro-prudential or macro-prudential risks as assessed by the relevant authorities in the U.K. These include, the PRA buffer (replacing the capital planning buffer), which may be assessed by the PRA to cover risks over a forward-looking planning horizon, including with regard to firm-specific stresses or management and governance weaknesses. If the PRA buffer is imposed on a specific firm, it must be met separately to the combined buffer requirement, and, by January 1, 2019, must be met fully with CET1 Capital. Failure by the Issuer to meet its PRA buffer (so long as one is imposed), could result in the PRA requiring the Issuer to prepare a capital restoration plan. Such capital restoration plan may impose restrictions on discretionary payments, which may result in the cancellation (in whole or part) of interest payments in respect of the Securities. In addition, sectoral capital requirements could be imposed as a macro-prudential tool proposed to be available to the Financial Policy Committee of the Bank of England in the U.K. as a means for the Financial Policy Committee temporarily to increase firms' capital requirements as a result of exposure to specific sectors.

Some of these and other measures remain subject to on-going review and there remains, therefore, some degree of uncertainty regarding the interaction of the Article 141 Restrictions with the capital requirements, buffers, micro- and macro-prudential tools, the leverage requirements and MREL and TLAC requirements (as defined below). Such uncertainty is expected to subsist until the final implementation and application of the relevant rules.

In November 2016, the PRA set out its policy on the relationship between the minimum requirements for own funds and eligible liabilities ( MREL ) pursuant to the BRRD (as defined below) and buffers in Supervisory Statement SS16/16 (the Supervisory Statement ). The Supervisory Statement confirms that the PRA expects U.K. firms not to meet their combined buffer requirement, the relevant PRA buffer or the leverage ratio buffers with any CET1 capital which counts towards their MREL requirement. This is consistent with the approach of the Financial Stability Board (the FSB ) in relation to the total loss absorbing capacity ( TLAC ), which requires that capital buffers and any additional capital requirements (such as the Pillar 2A requirements) must be met separately from and in addition to any TLAC requirements. In the event a U.K. firm does not or expects not to have sufficient CET1 capital, in addition to the CET1 capital counted towards its MREL, to meet the combined buffer requirements, then, while there would not be an automatic restriction on distribution, the PRA will undertake enhanced supervisory action and will require the preparation of a capital restoration plan. In such circumstances, the PRA may use its general powers under section 55M of the FSMA if it is not satisfied with the capital restoration plan, or with the firm's reasons for the shortfall. Concurrently with the Supervisory Statement, the Bank of England published its policy on setting MREL (which was updated by the Bank of England's Statement of Policy in June 2018) stating that, in doing so, it will consider the TLAC standard to ensure it is met by U.K. global systemically important banks ( G-SIBs ) (such as Barclays Bank). For institutions for which bail-in is the appropriate resolution strategy, MREL will be introduced in three phases. From 1 January 2019, U.K. G-SIBs will be required to meet the minimum requirements set out in the FSB's TLAC standard of the higher of 16 per cent. of risk weighted assets ( RWAs ) or 6 per cent. of leverage exposures. From January 1, 2020, U.K. G-SIBs will be required to meet an interim MREL equivalent to the higher of (i) their Pillar 2A requirement plus two times their Pillar 1 requirement; or (ii) two times the applicable leverage ratio requirement,

S-23

**Table of Contents**

currently 6 per cent. U.K. G-SIBs will be required to meet their end-state MREL equivalent from January 1, 2022, which will be the higher of two times the sum of the firm's Pillar 1 and Pillar 2A, or, if higher, the higher of two times the applicable leverage ratio requirement or 6.75 per cent. of leverage exposures. However, before the end of 2020, the Bank of England will review its general approach to the calibration of MREL, and the final transition date, prior to setting end-state MRELS. In doing so, the Bank of England will have particular regard to any intervening changes in the U.K. regulatory framework as well as institutions' experience in issuing MREL resources to meet their interim MRELS. The Bank of England will also take into account any changes to regulatory capital requirements, including the likely changes to the capital framework arising from the work of the Basel Committee on Banking Supervision. The Bank of England has stated that capital buffers will be excluded from its calibration of the loss absorption amount and that the level and other conditions relating to MREL will be aligned, where applicable, with the FSB TLAC standards. However, these policies may be subject to change, in particular, once the EU proposals in relation to MREL and TLAC are finalized and depending on how the U.K. is then required or decides to implement them.

Additionally, the PRA has a broad power under section 55M of the FSMA, to impose requirements on the Issuer, the effect of which could be to restrict or prohibit payments of interest on the Securities. If the PRA imposes such a requirement, the Issuer will exercise its discretion to cancel (in whole or in part, as required by the PRA) interest payments in respect of the Securities.

Separately, certain regulatory proposals may restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. For example, under proposals made by the European Commission in November 2016 to include in the European framework, among others, the TLAC requirements, a firm will be deemed not to have met its combined buffer requirement, and will become subject to the Article 141 Restrictions, where it does not have own funds and eligible liabilities in an amount and quality to meet: (i) its combined buffer requirement, (ii) its 4.5 per cent. Pillar 1 CET1 Capital requirement and its Pillar 2A CET1 Capital requirement, (iii) its 6 per cent. Pillar 1 Tier 1 requirement and its Pillar 2A Tier 1 requirement, (iv) its 8 per cent. Pillar 1 capital requirement and its Pillar 2A total capital requirement, and (v) its Pillar 1 and Pillar 2A MREL requirements, including, in the case of G-SIBs, its risk-based ratio and non-risk based ratio (subject to a potential six month grace period). Separately, these proposals also state that where an institution fails to meet or exceed its combined buffer requirement, in making distributions within the maximum distributable amount, it shall not make distributions relating to CET1 Capital or variable remuneration payments before having made payments on its additional tier 1 instruments. However, the European Banking Authority (the EBA) has issued an opinion dated May 23, 2017 in which it disagreed with those proposals. Further, these proposals are in draft form and are still subject to the EU legislative process and national implementation and, therefore, it is not clear whether these proposals will be adopted in their current form. See also the last paragraph under *Interest on the Securities will be due and payable only at the sole and absolute discretion of the Issuer, and we may cancel interest payments (in whole or in part) at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto* above.

The Group's capital, leverage and/or MREL resources and requirements are, by their nature, calculated by reference to a number of factors, any one of which or combination of which may not be easily observable or capable of calculation by investors. See *The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio* for examples of the type of factors that can affect the Group's capital, leverage and/or MREL resources and requirements and how they are determined. Therefore, Holders may not be able to predict accurately the proximity of the risk of discretionary payments on the Securities being prohibited from time to time as a result of the operation of the Article 141 Restrictions and/or the exercise by the PRA of its broad powers to impose prudential requirements on the Issuer. Accordingly, the trading behaviour of the Securities is not necessarily expected to follow the trading behaviour of other types of securities. Any indication that a breach of the combined buffer requirement or an exercise by the PRA of its broad powers to impose

prudential requirements may occur can be expected to have a material adverse effect on the trading price of the Securities.

S-24

**Table of Contents**

In addition, changes in the application of CRD IV and/or BRRD or any changes to such rules or related legislation implementing such rules may also affect the Group's capital, leverage and/or MREL resources and requirements and how they are determined, see *Future regulatory changes to the calculation of CET1 Capital and/or Risk Weighted Assets may negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Conversion, as a result of which Holders could lose all or part of the value of their investment in the Securities and Changes in law may adversely affect the rights of Holders*. Furthermore, Holders will bear the risk of changes to the Group's capital, leverage and/or MREL resources in general and, in particular, to the CET1 Ratio, see *Holders will bear the risk of changes in the Group's fully loaded CET1 Ratio*. Any such changes to the rules to include more onerous requirements, and/or any decrease in the Group's capital, leverage and/or MREL resources, and/or increase in such requirements applicable to the Group, may increase the risk of (i) the Issuer breaching its combined buffer requirements and being bound by Article 141 Restrictions and/or (ii) the PRA imposing requirements on the Issuer under section 55M of the FSMA, each of which may, in turn, increase the risk of the Issuer exercising its discretion to cancel interest payments in respect of the Securities. Moreover, a decline or perceived decline in the Group's capital, leverage and/or MREL resources towards a level at which a breach of the combined buffer requirement or an exercise of the PRA's powers under Section 55M of the FSMA may occur, may significantly affect the trading price of the Securities.

***As a holding company, the level of the Issuer's Distributable Items and its available funding may be affected by a number of factors. Insufficient Distributable Items or funding may restrict the Issuer's ability to make interest payments on the Securities.***

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Distributable Items for the Issuer. The Issuer is also reliant on the receipt of distributions from its subsidiaries for funding the Issuer's payment obligations. Consequently, the level of the Issuer's Distributable Items and available funding, and therefore its ability to make interest payments on the Securities, are a function of its existing Distributable Items, future Group profitability, the ability of the Issuer's operating subsidiaries to distribute or dividend profits up the Group structure to the Issuer and other factors such as the amount and availability of such profits and how they are calculated in accordance with accounting rules including the valuation of investment in subsidiaries. In addition, the Issuer's Distributable Items available for making payments to holders may also be adversely affected by the servicing of other instruments issued by the Issuer or by Group subsidiaries.

The level of the Issuer's Distributable Items may be further affected by changes to regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes, in particular the consequences of the implementation of the U.K. ring-fencing requirements which are expected to apply from January 2019, the requirement under section 165 of the Dodd-Frank Act, which has now been completed, to create an intermediate holding company ( IHC ) in the United States (each as discussed on pages 157-162 of the 2017 Form 20-F) or similar local capital or ring fencing requirements in other jurisdictions, could adversely affect the Issuer's Distributable Items in the future.

In addition, the ability of the Group's subsidiaries to make distributions and the Issuer's ability to receive distributions and other payments from its investments in other entities is subject to applicable local laws and other restrictions, including such subsidiaries' respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. For example, Barclays Bank is an institution regulated by the PRA and subject to the CRD IV regime, including capital and combined buffer requirements such as those described for the Group (see *CRD IV imposes capital and regulatory requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may*

*include requiring the Issuer to limit or cancel interest on the Securities* ). In addition, BBUKPLC and the US IHC will have individual capital and buffer requirements

S-25

**Table of Contents**

and similar requirements may apply to other subsidiaries over time. The continuing progress in the implementation of international principles and EU and domestic rules and regulations (including such rules and regulations in the UK or in other jurisdictions in which the Group operates) around additional loss absorbing capacity (such as TLAC and MREL) are expected to increase current requirements. Such rules and regulations could limit the payment of dividends, distributions and other payments to the Issuer by its subsidiaries, which could restrict the Issuer's available funding for meeting its obligations or funding other operations and may also restrict the Issuer's ability to maintain or increase its Distributable Items. These factors could, in turn, restrict the Issuer's ability to make interest payments on the Securities.

Further, the Issuer's Distributable Items and its available funding, and therefore its ability to make interest payments, may be adversely affected by the performance of the Group's business in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may materially adversely affect Distributable Items. 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 the level of Distributable Items is insufficient to fund that payment, as discussed in the risk factor *In addition to our right to cancel (in whole or in part) interest payments at any time, the terms of the Securities also restrict us from making interest payments on the Securities in certain circumstances, in which case such interest shall be deemed to have been cancelled. Interest that is deemed cancelled shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto* above. In addition, if the Issuer's ability to receive distributions from its subsidiaries is restricted and alternative sources of funding are not available, the Issuer may exercise its discretion to cancel interest payments in respect of the Securities (see *Interest on the Securities will be due and payable only at the sole and absolute discretion of the Issuer, and we may cancel interest payments (in whole or in part) at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto* ).

***The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries (including those of Barclays Bank, BBUKPLC, the group service company or any other present or future subsidiary) upon the liquidation of such subsidiaries and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated.***

The Issuer is a holding company that currently has no significant assets other than its loans to, and investments in, Group subsidiaries such as Barclays Bank, BBUKPLC, the group service company, the US IHC (being a subsidiary of Barclays Bank) and any other present or future subsidiary, which means that if any such subsidiary is liquidated, the Issuer's right to participate in the assets of such subsidiary will depend upon the ranking of the Issuer's claims against such subsidiary according to the ordinary hierarchy of claims in insolvency. So, for example, insofar as the Issuer is a holder of ordinary shares in a Group subsidiary, the Issuer's recovery in the liquidation of such subsidiary will be subject to the prior claims of such subsidiary's third party creditors and preference shareholders (if any). To the extent the Issuer holds other claims against any Group subsidiary that are recognized to rank *pari passu* with any third party creditors or preference shareholders' claims, such claims of the Issuer should in liquidation be treated *pari passu* with those third party claims.

As well as the risk of losses in the event of a Group subsidiary's insolvency, the Issuer may suffer losses if any of its loans to, or investments in, such subsidiary are subject to write-down and conversion on a contractual or statutory basis or if the subsidiary is otherwise subject to resolution proceedings. See *Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities* below. The Issuer has in the past made, and may continue to make, loans to, and investments in, Barclays Bank and

BBUKPLC, and it may in the future make loans to any other Group subsidiary, with the proceeds received from the Issuer's issuance of debt instruments. Such loans to, and investments in, such subsidiary by the Issuer have, historically, had a legal ranking in the insolvency of such subsidiary that

S-26

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**Table of Contents**

corresponds to the legal ranking of such debt instruments of the Issuer in the insolvency of the Issuer. However, the Issuer retains the discretion to manage the nature of its internal investment in subsidiaries according to its regulatory and business needs. Where securities issued by the Issuer have been structured so as to qualify as capital instruments under CRD IV, the terms of the corresponding on-loan to, or investment in, the relevant Group subsidiary may be structured to achieve equivalent regulatory capital treatment for such subsidiary. Accordingly, certain loans to, and investments made by the Issuer in such subsidiary, contain contractual mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or such subsidiary would automatically result in a write down or conversion into equity of such loans and investments.

The Issuer retains its absolute discretion to restructure such loans to, and any other investments in, any of its Group subsidiaries, including Barclays Bank and BBUKPLC, at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to such subsidiary, as part of wider changes made to the Group's corporate structure for the purposes of structural reform, or otherwise as part of meeting regulatory requirements, such as the implementation of MREL or TLAC in respect of the relevant subsidiaries. A restructuring of a loan or investment made by the Issuer in a Group subsidiary could include changes to any or all features of such loan or investment, including its legal or regulatory form, how it would rank in the event of resolution and/or insolvency proceedings in relation to the Group subsidiary, and the inclusion of a mechanism that provides for an automatic write down and/or conversion into equity upon specified triggers. Any restructuring of the Issuer's loans to, and investments in, any of the Group subsidiaries may be implemented by the Issuer without prior notification to, or consent of, the holders of the Securities.

In October 2017, the Bank of England published a consultation on internal MREL and, following that, a revised statement of policy (updating the one adopted in November 2016) was published in June 2018. Accordingly, during the course of 2018 the Issuer expects to restructure certain investments in subsidiaries to the extent required to achieve compliance with internal MREL requirements. The regulatory capital treatment, and otherwise the ranking in the ordinary insolvency hierarchy, of the Issuer's claims against a Group subsidiary will affect the extent to which the Issuer is exposed to losses if such subsidiary enters into resolution proceedings or is subject to mandatory write-down or conversion of its capital instruments. In particular, the Banking Act specifies that the resolution powers should be applied in a manner such that losses are transferred to shareholders and creditors in an order which reflects the hierarchy of issued instruments under CRD IV and which otherwise respects the hierarchy of claims in an ordinary insolvency, as described above. In general terms, the more junior in the capital structure the investments in, and loans made to, any Group subsidiary are, relative to third party investors, the greater the losses likely to be suffered by the Issuer in the event that any Group subsidiary enters into resolution proceedings or is subject to mandatory write-down or conversion of its capital instruments.

As a result of the structural subordination of securities issued by the Issuer described above, if any Group subsidiary were to be wound up, liquidated or dissolved, (i) the holders of the Securities would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of the creditors (and holders of preference shares or other tier 1 capital instruments ranking ahead of any such entity's ordinary shares) of such subsidiary (such creditors and holders of preference shares may include the Issuer) ranking ahead of the holders of ordinary shares of such subsidiary. Similarly, if any of the Group subsidiaries were subject to resolution proceedings (i) the holders of the Securities would have no direct recourse against such subsidiary, and (ii) holders of the Securities themselves may also be exposed to losses pursuant to the exercise by the relevant resolution authority of the stabilization powers see *Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities* below.

***The Securities may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the relevant Interest Payment Date.***

The Securities may trade, and/or the prices for the Securities may appear, on the ISM and in other trading systems with accrued interest. If this occurs, purchasers of Securities in the secondary market will pay a price

S-27

**Table of Contents**

that includes such accrued interest upon purchase of the Securities. However, if a payment of interest on any Interest Payment Date is cancelled or deemed cancelled (in each case, in whole or in part) as described herein and thus is not due and payable, purchasers of such Securities will not be entitled to that interest payment (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant Interest Payment Date.

***The interest rate on the Securities will reset on each Reset Date.***

The interest rate on the Securities will initially be 7.750% per annum. However, the interest rate will be reset on each Reset Date such that from (and including) each Reset Date, the applicable per annum interest rate will be equal to the sum of the applicable Mid-Market Swap Rate on the relevant Reset Determination Date immediately preceding the relevant Reset Date and the Margin. 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, which could affect the amount of any interest payments under the Securities and so the market value of the Securities.

***The Securities may be subject to an Automatic Conversion and upon the occurrence of such an event you could lose all or part of the value of your investment in the Securities.***

A Capital Adequacy Trigger Event will occur if at any time the Group's fully loaded CET1 Ratio has fallen below 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and the holders of the Securities. Upon the occurrence of a Capital Adequacy Trigger Event, an Automatic Conversion will occur on the Conversion Date, 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 to be held on your behalf (or to the relevant recipient in accordance with terms of the Securities), and under no circumstances shall such released obligations be reinstated. As a result, you could lose all or part of the value of your investment in the Securities, as, following an Automatic Conversion, you will receive only (i) the Conversion Shares (if the Issuer does not elect that a Conversion Shares Offer be made) or (ii) the Conversion Shares Offer Consideration, which shall comprise Conversion Shares and/or cash depending on the results of the Conversion Shares Offer (if the Issuer elects that a Conversion Shares Offer be made). In addition, the realizable value of any Conversion Shares received could be substantially lower than that implied by the price paid for the Securities at the time of their purchase and upon an Automatic Conversion, holders will no longer have a debt claim in relation to the Securities. See *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event* for more information. See also *Holders may receive Conversion Shares Offer Consideration instead of Conversion Shares upon a Capital Adequacy Trigger Event and would not know the composition of any Conversion Shares Offer Consideration until the end of the Conversion Shares Offer Period*, *As the Conversion Price is fixed at the time of issue of the Securities, holders will bear the risk of fluctuations in the market price of the Conversion Shares and the risk of depreciation of sterling against the U.S. dollar* and *Our obligations under the Securities will be unsecured and subordinated, and the rights of the holders of the Conversion Shares will be further subordinated.*

Furthermore, upon the occurrence of an Automatic Conversion, the holders will not be entitled to any compensation in the event of any improvement in the Group's fully loaded CET1 Ratio after the Conversion Date.

For more information, see *The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio*, *Regulatory action in the event of a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities* and *Future regulatory changes to the calculation of CET1 Capital and/or Risk Weighted Assets may*

*negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Conversion, as a result of which Holders could lose all or part of the value of their investment in the Securities.*

S-28

**Table of Contents**

***As the Conversion Price is fixed at the time of issue of the Securities, holders will bear the risk of fluctuations in the market price of the Conversion Shares and the risk of depreciation of sterling against the U.S. dollar.***

Because a Capital Adequacy Trigger Event will only occur at a time when the Group's fully loaded CET1 Ratio has deteriorated significantly, a Capital Adequacy Trigger Event may be accompanied by a deterioration in the market price of the Issuer's ordinary shares, which may be expected to continue after the occurrence of the Capital Adequacy Trigger Event. Therefore, following a Capital Adequacy Trigger Event, the realizable value of the Conversion Shares may be below the Conversion Price. The Conversion Price is fixed at the time of issue of the Securities at \$2.14 per Conversion Share, and is subject to certain anti-dilution adjustments, as described under  *Holders of the Securities do not have anti-dilution protection in all circumstances.* below. As a result, the Conversion Price may not reflect the market price of ordinary shares of the Issuer, which could be significantly lower than the Conversion Price.

Moreover, as our ordinary shares are denominated and trade in sterling, the U.S. dollar value of our ordinary shares may fluctuate depending on the exchange rate between sterling and the U.S. dollar. For example, if sterling depreciates relative to the U.S. dollar, the U.S. dollar value of our ordinary shares will decrease. Because the Conversion Price is denominated in U.S. dollars, depreciation of sterling against the U.S. dollar may result in the U.S. dollar value of any Conversion Shares received by a holder of the Securities following an Automatic Conversion being significantly less than the price implied by the Conversion Price. In addition, if a Conversion Shares Offer is made, the sterling cash consideration received for any Conversion Shares sold in such Conversion Shares Offer will be translated from sterling into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs). Accordingly, a decline in the value of sterling relative to the U.S. dollar between the Issue Date and the Conversion Date will also result in the U.S. dollar equivalent of the Conversion Shares Offer Price being less than the Conversion Price at the Conversion Date.

In addition, there may be a delay in a holder receiving its Conversion Shares following a Capital Adequacy Trigger Event (in particular if we elect that a Conversion Shares Offer be conducted, as the Conversion Shares Offer Period may last up to forty (40) Business Days after the delivery of the Conversion Shares Offer Notice), during which time the market price of the ordinary shares of the Issuer or the exchange rate of sterling against the dollar may further decline. As a result, the realizable value in U.S. dollars of the Conversion Shares received upon a Capital Adequacy Trigger Event could be substantially lower than that implied by the U.S. dollar price paid for the Securities at the time of their purchase.

No interest or other compensation is payable in the event of a loss by a holder of Securities due to foreign currency conversions.

***Issuance of the Conversion Shares to the Conversion Shares Depository shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the Securities (other than the CSO Obligations, if any).***

Upon an Automatic Conversion, the Issuer shall issue the Conversion Shares to the Conversion Shares Depository, which will hold the Conversion Shares on behalf of the holders of the Securities. Issuance of the Conversion Shares to the Conversion Shares Depository shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the Securities (other than the CSO Obligations, if any). Provided that the Issuer issues the Conversion Shares to the Conversion Shares Depository 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 for the delivery to them of Conversion Shares or, if the Issuer elects that a Conversion Shares Offer be made as described under  *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer* below, of any

Conversion Shares Offer Consideration to which such holders are entitled as described herein.

In addition, we have not as at the Issue Date appointed a Conversion Shares Depository and we may not be able to appoint a Conversion Shares Depository if an Automatic Conversion occurs. In such a scenario, we give notice

S-29

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**Table of Contents**

to the holders of the Securities via DTC or the Trustee or otherwise, as practicable, of any alternative arrangements in connection with the issuance and/or delivery of the Conversion Shares and such arrangements may be disadvantageous to, and more restrictive on, the holders of the Securities. For example, such arrangements may involve holders of the Securities having to wait longer to receive their Conversion Shares than would be the case under the arrangements expected to be entered into with a Conversion Shares Depository. Under these circumstances, the Issuer's issuance of the Conversion Shares to the relevant recipient in accordance with these alternative arrangements shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the Securities (other than the CSO Obligations, if any).

***Holders may receive Conversion Shares Offer Consideration instead of Conversion Shares upon a Capital Adequacy Trigger Event and would not know the composition of any Conversion Shares Offer Consideration until the end of the Conversion Shares Offer Period.***

Holders may not ultimately receive Conversion Shares upon a Capital Adequacy Trigger Event because the Issuer may elect, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Conversion Shares Depository.

In the Barclays PLC Notice of Annual General Meeting dated March 21, 2018, the Issuer informed its shareholders of its intention to include in the terms of securities such as the Securities, if permitted by law and regulation, a mechanism providing for a conversion shares offer such as that provided above. The Conversion Shares Offer may be conducted at the election of the Issuer, in its sole and absolute discretion, on the terms set out in *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer*. The Issuer currently expects that in determining whether or not a Conversion Shares Offer shall be conducted and, if one is to be conducted, how and to whom such Conversion Shares Offer shall be made, the directors of the Issuer would, in accordance with their duties, have regard to a variety of matters, including, without limitation, the interests of the Issuer's shareholders, taken as a whole, and the potential impact of a Conversion Shares Offer on the Issuer's financial stability.

If the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Conversion Shares Depository and all of the Conversion Shares are sold in the Conversion Shares Offer, holders of the Securities shall be entitled to receive, in respect of each Security, the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling (as the Conversion Shares Offer Price is stated in sterling) into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs). If some but not all of the Conversion Shares are sold in the Conversion Shares Offer, holders of the Securities shall be entitled to receive, in respect of each Security, (a) the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling (as the Conversion Shares Offer Price is stated in sterling) into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs) together with (b) the *pro rata* share of the Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Security rounded down to the nearest whole number of Conversion Shares. In each case, the cash component of any Conversion Shares Offer Consideration shall be subject to deduction of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the transfer of Conversion Shares to the Conversion Shares Depository as a consequence of the Conversion Shares Offer.

No interest or other compensation is payable in respect of the period elapsed from the Conversion Date to the date of delivery of cash sums or Conversion Shares in the circumstances described above.

Furthermore, the Issuer or the Conversion Shares Depository will provide notice of the results of any Conversion Shares Offer only at the end of the Conversion Shares Offer Period. Accordingly, holders of the Securities would not know the composition of the Conversion Shares Offer Consideration to which they may be entitled until the end of the Conversion Shares Offer Period.

S-30

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**Table of Contents**

***Following an Automatic Conversion, the Securities will remain in existence until the applicable Cancellation Date for the sole purpose of evidencing the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository and the Issuer's CSO Obligations, if any, and the rights of the holders of the Securities will be limited accordingly.***

Following an Automatic Conversion, the Securities will 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 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 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 Securities shall be cancelled on the applicable Cancellation Date.

Although we currently expect that beneficial interests in the Securities will be transferrable between the Conversion Date and the Suspension Date, there is no guarantee that an active trading market will exist for the Securities following the Automatic Conversion. Accordingly, the price received for the sale of any beneficial interest under a Security during this period may not reflect the market price of such Security or the Conversion Shares. Furthermore, transfers of beneficial interests in the Securities may be restricted following the Conversion Date, for example if the clearance and settlement of transactions in the Securities is suspended by DTC at an earlier time than currently expected. In such a situation it may not be possible to transfer beneficial interests in the Securities and trading in the Securities may cease.

In addition, we have been advised by DTC that it will suspend all clearance and settlement of transactions in the Securities on the Suspension Date. As a result, holders of the Securities will not be able to settle the transfer of any Securities following the Suspension Date, and any sale or other transfer of the Securities that a holder of the Securities may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by DTC and will not be settled through DTC.

The Securities will cease to be admitted to trading on the ISM after the Suspension Date, subject to receipt by the ISM of any notice by the Issuer required under the ISM's rules and operating procedures.

Moreover, although the holders of the Securities will become beneficial owners of the Conversion Shares upon the issuance of such Conversion Shares to the Conversion Shares Depository and the Conversion Shares will be registered in the name of the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Securities), no holder of the Securities will be able to sell or otherwise transfer any Conversion Shares until such time as they are finally delivered to such holder and registered in their name.

***Holders of the Securities will have to submit a Conversion Shares Settlement Notice in order to receive delivery of the Conversion Shares or the Conversion Share Component, if any, of any Conversion Shares Offer Consideration, as applicable.***

In order to obtain delivery of the relevant Conversion Shares or the Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable, a holder must deliver a Conversion Shares Settlement Notice (and the relevant Securities, if applicable) to the Conversion Shares Depository. The Conversion Shares Settlement Notice must contain certain information, including the holder's CREST account details. Accordingly, holders of Securities (or their nominee, custodian or other representative) will have to have an account with CREST in order to receive the Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration,

as applicable. If a holder of the Securities fails to properly complete and deliver a Conversion Shares Settlement Notice on or before the Notice Cut-off Date, the Conversion Shares Depository shall continue to hold the relevant Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration until a Conversion Shares Settlement Notice (and the relevant Securities, if

S-31

**Table of Contents**

applicable) is or are so delivered. However, the relevant Securities shall be cancelled on the Final Cancellation Date and any holder of Securities delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares (or the relevant Conversion Shares component, if any, of any Conversion Shares Offer Consideration) satisfactory to the Conversion Shares Depository in its sole and absolute discretion in order to receive delivery of such Conversion Shares (or Conversion Share component of any Conversion Shares Offer Consideration, as applicable). The Issuer shall have no liability to any holder of the Securities for any loss resulting from such holder not receiving any Conversion Shares (or Conversion Share component of any Conversion Shares Offer Consideration, as applicable) or from any delay in the receipt thereof, in each case as a result of such holder failing to duly submit a Conversion Shares Settlement Notice and the relevant Securities, if applicable, on a timely basis or at all.

 ***Holders of the Securities do not have anti-dilution protection in all circumstances.***

The number of Conversion Shares to be issued to the Conversion Shares Depository upon an Automatic Conversion will be the aggregate principal amount of the Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date divided by the Conversion Price (rounded down to the nearest whole number of Conversion Shares). The Conversion Price and the Conversion Shares Offer Price will be adjusted if there is a consolidation, reclassification or subdivision of the Issuer's ordinary shares, an issuance of ordinary shares in certain circumstances by way of capitalization of profits or reserves, a rights issue, an Extraordinary Dividend or a Qualifying Takeover Event (but only in the situations and only to the extent provided in *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution*). There is no requirement that there should be an adjustment for every corporate or other event that may affect the market price of the Conversion Shares. In particular, there will be no adjustment to the Conversion Price and the Conversion Shares Offer Price if a Takeover Event occurs that is not a Qualifying Takeover Event (because the Acquirer is not an Approved Entity or the New Conversion Condition is not satisfied). Furthermore, the adjustment events that are included are less extensive than those often included in the terms of convertible securities. Accordingly, the occurrence of events in respect of which no adjustment to the Conversion Price and the Conversion Shares Offer Price is made may adversely affect the value of the Securities.

 ***If a Takeover Event occurs, the Securities may be convertible into shares of an entity other than the Issuer or into unlisted shares.***

If a Takeover Event is a Qualifying Takeover Event, then following an Automatic Conversion the Securities shall become convertible or exchangeable into the Approved Entity Shares of the Acquirer at the New Conversion Price as more fully described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution Qualifying Takeover Event* below. There can be no assurance as to the nature of any such Acquirer, or of the risks associated with becoming an actual or potential shareholder in such Acquirer and, accordingly, a Qualifying Takeover Event may have an adverse effect on the value of the Securities.

If the Issuer's ordinary shares become delisted following a Takeover Event which is not a Qualifying Takeover Event or otherwise, there shall be no automatic adjustment to the terms of the Securities and the Securities will remain convertible into unlisted ordinary shares upon an Automatic Conversion. Unlisted shares may be more illiquid than listed shares and may have little or no resale value. In addition, if a Takeover Event is not a Qualifying Takeover Event because the Acquirer is a Governmental Entity, there can be no assurance as to whether the Securities would be convertible into, or exchangeable for, any securities or other instruments of the Acquirer or any other person or entity. Accordingly, a Takeover Event that is not a Qualifying Takeover Event is likely to have an adverse effect on holders of the Securities or the value of the Securities.

In addition, the Issuer has considerable discretion in determining whether a Qualifying Takeover Event has occurred. A Qualifying Takeover Event requires the New Conversion Condition to be satisfied. For the New Conversion Condition to be satisfied, among other requirements, the Issuer must determine, in its sole and

S-32

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**Table of Contents**

absolute discretion, that the arrangements to deliver Approved Entity Shares following an Automatic Conversion are in place and that such arrangements would be in the best interest of the Issuer and its shareholders taken as a whole having regard to the interests of its stakeholders (including, but not limited to, the holders of the Securities) and are consistent with applicable law and regulation (including, but not limited to, the guidance of any applicable regulatory body). Therefore, the Issuer may consider factors other than the interests of holders of the Securities in determining whether the New Conversion Condition is satisfied.

Further, a Takeover Event shall occur only where the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in an Acquirer (together with any associate). There can be no assurance that the acquisition by an Acquirer of the right to cast 50% or less of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer will not have an adverse effect on the value of the Securities.

***Holders of the Securities may be subject to disclosure obligations, take-over requirements and/or may need approval from the Issuer's regulator under certain circumstances.***

As the holders of the Securities may receive Conversion Shares if a Capital Adequacy Trigger Event occurs, an investment in the Securities may result in holders having to comply with certain disclosure, take-over and/or regulatory approval requirements pursuant to applicable laws and regulations following an Automatic Conversion. For example, pursuant to Chapter 5 of the Disclosure Rules and Transparency Rules Sourcebook of the FCA Handbook, the Issuer (and the FCA) must be notified by a person when the percentage of voting rights in the Issuer controlled by that person (together with its concert parties), by virtue of direct or indirect holdings of shares aggregated with direct or indirect holdings of certain financial instruments, reaches, exceeds or falls below 3% and every percentage point thereafter.

Furthermore, as Conversion Shares represent voting securities of a parent undertaking of a number of regulated group entities, under the laws of the United Kingdom, the United States and other jurisdictions, ownership of the Securities themselves (or the Conversion Shares) above certain levels may require the holder of the voting securities to obtain regulatory approval or subject the holder to additional regulation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrence of substantial fines or other criminal and/or civil penalties and/or suspension of voting rights associated with the Conversion Shares. Accordingly, each potential investor should consult its legal advisers as to the terms of the Securities, in respect of its existing shareholding and the level of holding it would have if it receives Conversion Shares following a Capital Adequacy Trigger Event.

***Holders of the Securities will bear the risk of changes in the Group's fully loaded CET1 Ratio.***

The market price of the Securities is expected to be affected by changes in the Group's fully loaded CET1 Ratio. Changes in the Group's fully loaded CET1 Ratio may be caused by changes in the amount of CET1 Capital and/or Risk Weighted Assets as well as changes to their respective definition and/or interpretation by the Issuer under the Capital Regulations. Each of the Group's CET1 Capital and/or Risk Weighted Assets shall be determined by the Issuer on a fully loaded and consolidated basis and such determination shall be binding on the Trustee and the holders. See

*The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio and Future regulatory changes to the calculation of CET1 Capital and/or Risk Weighted Assets may negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Conversion, as a result of which Holders could lose all or part of the value of their investment in the Securities.*

We currently only publicly report the Group's fully loaded CET1 Ratio quarterly as of the period end, and therefore during the quarterly period there is no published updating of the Group's fully loaded CET1 Ratio and

S-33

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**Table of Contents**

there may be no prior warning of adverse changes in the Group's fully loaded CET1 Ratio. However, any indication that the Group's fully loaded CET1 Ratio is moving towards the level of a Capital Adequacy Trigger Event may have an adverse effect on the market price of the Securities. A decline or perceived decline in the Group's fully loaded CET1 Ratio may significantly affect the trading price of the Securities.

***The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio.***

The occurrence of a Capital Adequacy Trigger Event is inherently unpredictable and depends on a number of factors, including those discussed in greater detail in the following paragraphs, any of which may be outside the Issuer's control. Although the Issuer currently publicly reports the Group's fully loaded CET1 Ratio only as of each quarterly period end, a Capital Adequacy Trigger Event will occur if at any time the Group's fully loaded CET1 Ratio is less than 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and the holders of the Securities.

The Group's fully loaded CET1 Ratio may fluctuate during a quarterly period. The calculation of such ratio could be affected by one or more factors, including, among other things, changes in the mix of the Group's business, major events affecting our earnings, dividend payments by the Issuer, regulatory changes (including changes to definitions, interpretation and calculations of regulatory capital ratios and their components, including CET1 Capital and Risk Weighted Assets), revisions to models used by the Issuer to calculate its capital requirements (or revocation of, or amendments to, the regulatory permissions for using such models), and the Group's ability to manage Risk Weighted Assets in both its ongoing businesses and those which it may seek to exit. In addition, the Group has capital resources and Risk Weighted Assets denominated in foreign currencies, and changes in foreign exchange rates will result in changes in the sterling equivalent value of foreign currency denominated capital resources and Risk Weighted Assets. As a result, the Group's fully loaded CET1 Ratio is exposed to foreign currency movements.

The calculation of the Group's fully loaded CET1 Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the PRA could require us to reflect such changes in any particular calculation of the Group's fully loaded CET1 Ratio.

Accordingly, accounting changes or regulatory changes may have a material adverse impact on the Group's calculations of regulatory capital resources and requirements, including CET1 Capital and Risk Weighted Assets, and the Group's fully loaded CET1 Ratio.

Because of the inherent uncertainty regarding whether a Capital Adequacy Trigger Event will occur, it will be difficult to predict when, if at all, an Automatic Conversion may occur. Accordingly, the trading behavior of the Securities is not necessarily expected to follow the trading behavior of other types of securities. Any indication that a Capital Adequacy Trigger Event (and subsequent Automatic Conversion) may occur can be expected to have a material adverse effect on the market price of the Securities.

In addition, any of the factors that affect the Group's overall capital position, including those mentioned above, may in turn affect the Group's capital, leverage and/or MREL resources, see *CRD IV imposes capital requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities* for a description of certain risks to the holders of a decrease in the Group's capital, leverage and/or MREL resources.

S-34

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**Table of Contents**

***The Group's fully loaded CET1 Ratio, and more generally, its overall capital position, will be affected by the Group's business decisions and, in making such decisions, its interests may not be aligned with those of the holders of the Securities.***

As discussed in *The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio and CRD IV imposes capital and regulatory requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities* above, the Group's fully loaded CET1 Ratio, and, more generally, its overall capital position, could be affected by a number of factors. The Group's fully loaded CET1 Ratio and its overall capital position will also depend on the Group's decisions relating to its businesses and operations, as well as the management of its capital position. Neither the Issuer nor any member of the Group will have any obligation to consider the interests of the holders of the Securities in connection with its strategic decisions, including in respect of its capital management. Holders of the Securities will not have any claim against us or any other member of the Group relating to decisions that affect the business and operations of the Group, including the Group's capital position, regardless of whether they result in the occurrence of mandatory distribution restrictions and/or a Capital Adequacy Trigger Event. Such decisions could cause holders of the Securities to lose all or part of the value of their investment in the Securities.

***Future regulatory changes to the calculation of CET1 Capital and/or Risk Weighted Assets may negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Conversion, as a result of which Holders could lose all or part of the value of their investment in the Securities.***

For the purposes of the Securities, the Issuer will determine the Group's CET1 Capital and Risk Weighted Assets on a fully loaded basis without applying the transitional provisions set out in Part Ten of the CRD IV Regulation (which currently means the phase-in arrangements for the regulatory capital impact of IFRS 9). As a result, the Issuer's CET1 Ratio may be lower than it would be were it to calculate the CET1 Ratio applying the IFRS 9 phase-in arrangements. Furthermore, the application of IFRS 9 is expected to result in greater changes from period to period in the level of provisions, which in turn would result in greater volatility over time in the Group's income and consequently the Group's CET1 Ratio.

As at June 30, 2018, the Group's fully loaded CET1 Ratio was 12.6%, while the Group's CET1 Ratio calculated applying the IFRS 9 phase-in arrangements was 13.0%. The Group's interpretation of CRD IV and the basis of its determination of the Group's fully loaded CET1 Ratio may be different from those of other financial institutions. For more information on how this ratio is determined, see pages 137-143 of the 2017 Form 20-F, which is incorporated by reference into this prospectus supplement. For the purposes of the Securities, the calculation by the Issuer of the Group's fully loaded CET1 Ratio (based on its interpretation of the Capital Regulations) at any time is binding on the Trustee and the holders of the Securities.

CRD IV requirements adopted in the United Kingdom may change whether as a result of further changes to CRD IV agreed by EU legislators, binding regulatory technical standards to be developed by the European Banking Authority (EBA), and/or changes to the way in which the PRA interprets and applies these requirements to U.K. banks (including as regards individual model approvals granted by the PRA). For example, on November 23, 2016, the EU Commission proposed substantial changes to the CRD IV and BRRD framework. The changes include setting higher capital and additional loss absorbing capacity requirements, increasing the powers of the relevant competent authorities and incorporating the regulatory definition of trading activity, standardized and advanced risk weighted

assets calculation methodologies for market risk and new standardized risk weighted assets rules for counterparty credit risk. The proposal also included the phase-in arrangements for the regulatory capital impact of IFRS 9 and the ongoing interaction of IFRS 9 with the regulatory framework, including changes to relevant accounting standards, which came into force on January 1, 2018 and which resulted in changes to the methodologies which the Group is required to adopt for the valuation of financial instruments.

S-35

**Table of Contents**

In addition, the Basel Committee on Banking Supervision has continued its post-crisis work on risk weighted assets and leverage reform. In December 2017, *Basel III: Finalising post-crisis reforms* was published, setting out the Basel Committee's finalisation of the Basel III framework. Broadly, the finalised package of Basel III regulatory reforms aims to: (i) strengthen risk sensitivity and comparability in credit risk by adopting minimum input floors for certain metrics; (ii) introduce a standardised approach to credit valuation adjustment risk; (iii) introduce a standardised approach to operational risk; (iv) provide safeguards against unsustainable levels of leverage by adding a leverage ratio buffer for global systemically important banks; and (v) ensure that banks' output floors can be calculated as being 72.5 per cent. of total RWA. The date of implementation for most of the proposed reforms listed above has been set at January 1, 2022. However, the Basel Committee on Banking Supervision has chosen to bring the output floor requirements into force over the course of an added five-year phased implementation period post January 1, 2022, ending on January 1, 2027. These proposals and resulting changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Group's CRD IV capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

Therefore, any changes that may occur in the application of the CRD IV rules in the U.K. subsequent to the date of this prospectus supplement and/or any subsequent changes to such rules and other variables may individually and/or in the aggregate negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, the occurrence of which would lead to an Automatic Conversion, as a result of which you could lose all or part of the value of your investment in the Securities.

***Failure to meet the requirements of regulatory stress tests could result in the Group taking steps to improve its capital position and may otherwise adversely affect the Group.***

The Group and certain of its members are subject to supervisory stress testing exercises in a number of jurisdictions. These exercises currently include the programs of the Bank of England, the EBA, the Federal Deposit Insurance Corporation (the FDIC), the Federal Reserve Bank of New York and the South African Reserve Bank (the SARB). These exercises are designed to assess the resilience of banks to adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on the Group's, or certain of its members' business model, data provision, stress testing capability and internal management processes and controls.

Failure to meet requirements of regulatory stress tests, or the failure by regulators to approve the stress test results and capital plans of the Group, could result in the Group or certain of its members being required to enhance their capital position, including, for example, an additional PRA buffer which may be set by the PRA in certain circumstances, as set out in the PRA's Policy Statement PS17/15 (*Assessing capital adequacy under Pillar 2*) and the related Statement of Policy (*The PRA's methodologies for setting Pillar 2 capital*). This may result in a need for management actions, such as reducing capital and/or leverage exposures and/or taking steps to conserve capital, which could include reducing discretionary payments (for example, potentially exercising the Issuer's discretion to cancel (in whole or in part) interest payments in respect of the Securities).

***We may redeem the Securities at our option in certain situations.***

We may, at our option, at any time, redeem the Securities, in whole but not in part, 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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation* below) to (but excluding) the date fixed for redemption, if a Regulatory Event or a Tax Event has occurred, as more particularly described under *Description of Fixed Rate Resetting Perpetual Subordinated*

*Contingent Convertible Securities Redemption Regulatory Event Redemption* and *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Tax Redemption*, respectively. In addition, we may, at our option, redeem the

S-36

**Table of Contents**

Securities, in whole but not in part, on each Reset Date 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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation* below) to (but excluding) the date fixed for redemption. If we redeem the Securities, you may not be able to reinvest the redemption proceeds in securities offering a comparable yield. In addition, any early redemption of the Securities is subject to among other things, receipt of the prior consent of the PRA and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations), regardless of whether such redemption would be favorable or unfavorable to you. Furthermore, you have no right to require us to redeem the Securities.

***Our obligations under the Securities will be unsecured and subordinated, and the rights of the holders of Conversion Shares will be further subordinated.***

Our obligations under the Securities will be unsecured and subordinated to all of the Issuer's existing and future obligations to Senior Creditors (as defined under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking* below). In addition, payment of principal or interest in respect of the Securities cannot be made in respect of the Securities except to the extent that the Issuer could make such payment and still satisfy the Solvency Condition (as defined under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking* below) immediately thereafter.

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 such winding-up or 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 such winding-up or 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 such winding-up or 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 administration, was an amount equal to the principal amount of the relevant Security together with any damages (if payable) 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, then for the purposes of determining the claim of a holder in such winding-up or administration, the Conversion Date in respect of an Automatic Conversion shall be deemed to have occurred immediately before the occurrence of such events specified in (a) or (b) above.

Therefore, if the Issuer were to be wound up or placed into administration, the Issuer's liquidator or administrator would first apply assets of the Issuer to satisfy all rights and claims of Senior Creditors. If the Issuer does not have sufficient assets to settle claims of such Senior Creditors in full, the claims of the holders of the Securities will not be settled and, as a result, the holders will lose the entire amount of their investment in the Securities. In such winding-up or administration, the Securities will share equally in payment with claims under Parity Securities (or, with claims in respect of ordinary shares, in the event of a winding-up or administration occurring in the intervening period between a Capital Adequacy Trigger Event and the Conversion Date) if the Issuer does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment. See also

*Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially*

*adversely affect the value of the Securities.*

Furthermore, holders of the Securities should be aware that, upon the occurrence of an Automatic Conversion, all of the Issuer's obligations under the Securities (other than the CSO Obligations, if any) shall be irrevocably and

S-37

**Table of Contents**

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 each holder will be effectively further subordinated due to the change in their status on a winding-up or administration after the Conversion Date from being the holder of a debt instrument ranking ahead of holders of ordinary shares to being the holder of ordinary shares of the Issuer or the beneficial owner of ordinary shares of the Issuer as evidenced by the Security. As a result, upon the occurrence of an Automatic Conversion, the holders could lose all or part of their investment in the Securities irrespective of whether the Issuer has sufficient assets available to settle what would have been the claims of the holders of the Securities or other securities subordinated to the same extent as the Securities, in winding-up proceedings or otherwise. Therefore, even if other securities that rank *pari passu* with the Securities are paid in full, following the Conversion Date in respect of an Automatic Conversion, the holders will have no rights to the repayment of the principal amount of the Securities or the payment of interest on the Securities and will rank as holders of ordinary shares of the Issuer (or beneficial owners of ordinary shares of the Issuer).

***Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities.***

The tools and powers described below are in addition to the operation of the Automatic Conversion upon the occurrence of a Capital Adequacy Trigger Event pursuant to the terms of the Securities. The majority of the requirements of the European Union directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms of May 15, 2014, as amended (the BRRD) (including the bail-in tool) were implemented in the United Kingdom by way of amendments to the Banking Act. For more information on the bail-in tool, see *The Relevant U.K. Resolution Authority may exercise the bail-in tool in respect of the Issuer and the Securities, which may result in holders of the Securities losing some or all of their investment* and *Under the terms of the Securities, you have agreed to be bound by the exercise of any U.K. Bail-in tool by the Relevant U.K. Resolution Authority.* below.

On November 23, 2016, the European Commission published, among other proposals, proposals to amend the BRRD. The majority of these proposals are in draft form and are still subject to the EU legislative process and national implementation. Therefore, it is unclear what the effect of such proposals may be on the Group, the Issuer or the Securities. See *Changes in law may adversely affect the rights of holders of the Securities.*

*The Banking Act confers substantial powers on a number of U.K. authorities designed to enable them to take a range of actions in relation to U.K. banks or investment firms and certain of their affiliates (currently including the Issuer) in the event a bank or investment firm in the same group is considered to be failing or likely to fail. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of the Securities.*

Under the Banking Act, substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and HM Treasury, as appropriate as part of a special resolution regime (the SRR). These powers enable the Relevant U.K. Resolution Authority to implement resolution measures with respect to a U.K. bank or investment firm and certain of its affiliates (currently including the Issuer) (each a relevant entity) in circumstances in which the Relevant U.K. Resolution Authority is satisfied that the resolution conditions are met. Such conditions include that a U.K. bank or investment firm is failing or is likely to fail to satisfy the FSMA (as defined above) threshold conditions for authorization to carry on certain regulated activities (within the meaning of section 55B of the FSMA) or, in the case of a U.K. banking group company that is an EEA or third country institution or investment firm, that the relevant EEA or third country relevant authority is satisfied that the resolution conditions are met in respect of such entity.

The SRR consists of five stabilization options: (a) private sector transfer of all or part of the business or shares of the relevant entity, (b) transfer of all or part of the business of the relevant entity to a bridge bank established by the Bank of England, (c) transfer to an asset management vehicle wholly or partly owned by HM Treasury or

S-38

## **Table of Contents**

the Bank of England, (d) the bail-in tool (as described below) and (e) temporary public ownership (nationalization).

The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Securities), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the Relevant U.K. Resolution Authority to disapply or modify laws in the U.K. (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

Holders of the Securities should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the Relevant U.K. Resolution Authority has assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool (as described below).

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Securities and could lead to holders of the Securities losing some or all of the value of their investment in the Securities.

*The SRR is designed to be triggered prior to insolvency of the Issuer, and holders of the Securities may not be able to anticipate the exercise of any resolution power (including the U.K. Bail-in tool) by the Relevant U.K. Resolution Authority.*

The stabilization options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilization options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns.

Although the Banking Act provides specific conditions to the exercise of any resolution powers and, furthermore, the European Banking Authority's guidelines published in May 2015 set out the objective elements for the resolution authorities to apply in determining whether an institution is failing or likely to fail, it is uncertain how the Relevant U.K. Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and/or other members of the Group and in deciding whether to exercise a resolution power.

The Relevant U.K. Resolution Authority is also not required to provide any advance notice to holders of the Securities of its decision to exercise any resolution power. Therefore, holders of the Securities may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Group and the Securities.

*Holders of the Securities may have only very limited rights to challenge the exercise of any resolution powers (including the U.K. Bail-in tool) by the Relevant U.K. Resolution Authority.*

Holders of the Securities may have only very limited rights to challenge and/or seek a suspension of any decision of the Relevant U.K. Resolution Authority to exercise its resolution powers (including the U.K. Bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise.

*The Relevant U.K. Resolution Authority may exercise the bail-in tool in respect of the Issuer and the Securities, which may result in holders of the Securities losing some or all of their investment.*

Where the relevant statutory conditions for use of the bail-in tool have been met, the Relevant U.K. Resolution Authority would be expected to exercise these powers without the consent of the holders. Subject to certain exemptions set out in the BRRD (including secured liabilities, bank deposits guaranteed under an EU member state's deposit guarantee scheme, liabilities arising by virtue of the holding of client money, liabilities to other

S-39

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**Table of Contents**

non-group banks or investment firms that have an original maturity of fewer than seven days and certain other exceptions), it is intended that all liabilities of institutions and/or their EEA parent holding companies should potentially be within scope of the bail-in tool. Accordingly, any such exercise of the bail-in tool in respect of the Issuer and the Securities may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Securities and/or the conversion of the Securities into shares or other securities or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Securities. The exercise of the bail-in tool will be separate to and thus may result in an outcome that is different from an Automatic Conversion contemplated by the terms of the Securities.

The Banking Act specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD IV and otherwise respecting the hierarchy of claims in an ordinary insolvency. In addition, the bail-in tool contains an express safeguard (known as "no creditor worse off") with the aim that shareholders and creditors do not receive a less favorable treatment than they would have received in ordinary insolvency proceedings of the relevant entity. Among other proposals, the amendments to BRRD and the CRD IV Regulation proposed by the European Commission on November 23, 2016 have amended the creditor hierarchy in respect of certain unsecured debt instruments, although such amendments remain subject to national implementation. The other amendments to BRRD and CRD IV, such as the amendments in relation to MREL, are still in draft form and subject to the EU legislative process, therefore it is unclear what the effect of such amendments may be on the Group, the Issuer or the Securities.

The exercise of the bail-in tool in respect of the Issuer and the Securities or any suggestion of any such exercise could materially adversely affect the rights of the holders of the Securities, the price or value of their investment in the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities and could lead to holders of the Securities losing some or all of the value of their investment in such Securities or the Securities being converted into ordinary shares at a rate that may deliver fewer ordinary shares than if the Securities were to be converted into ordinary shares in accordance with their terms. In addition, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the holders of the Securities in the resolution and there can be no assurance that holders of the Securities would recover such compensation promptly.

*Mandatory write-down and conversion of capital instruments may affect the Securities.*

In addition, the Banking Act requires the Relevant U.K. Resolution Authority to permanently write-down, or convert into equity, Tier 1 capital instruments (such as the Securities) and Tier 2 capital instruments at the point of non-viability of the relevant entity and before, or together with, the exercise of any stabilization option (except in the case where the bail-in tool is to be utilized for other liabilities, in which case such capital instrument would be written down or converted into equity pursuant to the exercise of the bail-in tool, as described above, rather than the mandatory write-down and conversion power applicable only to capital instruments).

For the purposes of the application of such mandatory write-down and conversion power, the point of non-viability is the point at which the Relevant U.K. Resolution Authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or that the relevant entity will no longer be viable unless the relevant capital instruments are written down or converted or the relevant entity requires extraordinary public support without which, the Relevant U.K. Resolution Authority determines that the relevant entity would no longer be viable. As with the bail-in tool, the exercise of the mandatory write-down and conversion power is separate to and thus may result in an outcome that is different from the Automatic Conversion contemplated by the terms of the Securities.

Holders of the Securities may be subject to write-down or conversion into equity on application of such powers (without requiring the consent of such holders), which may result in such holders losing some or all of their investment or the Securities being converted into ordinary shares at a rate that may deliver fewer ordinary shares

S-40

**Table of Contents**

than if the Securities were to be converted into ordinary shares in accordance with their terms. The no creditor worse off safeguard would not apply in relation to an application of such powers in circumstances where resolution powers are not also exercised.

The exercise of such mandatory write-down and conversion power under the Banking Act or any suggestion of such exercise could, therefore, materially adversely affect the rights of holders of the Securities, the price or value of their investment in the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities.

***There is no restriction on the amount or type of further securities or indebtedness that we or our subsidiaries may issue, incur or guarantee.***

Subject to complying with applicable regulatory requirements in respect of the Group's leverage and capital ratios, there is no restriction on the amount or type of further securities or indebtedness that we or our subsidiaries may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Securities. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by holders of the Securities on a liquidation or winding-up of the Issuer and may limit our ability to meet our obligations under the Securities. In addition, the Securities do not contain any restriction on the Issuer issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.

***Holder of the Securities will have limited remedies.***

Payment of principal on the Securities shall be accelerated only in the event of certain events of a winding-up or administration involving us that constitute a Winding-up Event before the occurrence of a Capital Adequacy Trigger Event. Under the terms of the Indenture, a Winding-up Event results if either (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding-up which is not successfully appealed within 30 days of the making of such order, (ii) our shareholders adopt an effective resolution for our winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator, the administrator gives notice that it intends to declare and distribute a dividend. There is no right of acceleration in the case of non-payment of principal or interest on the Securities or of our failure to perform any of our obligations under or in respect of the Securities.

The sole remedy against us available for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under the Securities is, subject to certain conditions and to the provisions set forth in *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Enforcement Events and Remedies Trust Indenture Act remedies* below, for the Trustee to institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding-up and/or prove in our winding-up and/or claim in our liquidation or administration.

Although the Trustee may institute such proceedings against us as it may think fit to enforce any term, obligation or condition binding on us under the Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the Securities or the Indenture, including payment of any principal or interest, including Contingent Convertible Additional Amounts (referred to herein as Performance Obligations)), provided always that the Trustee (acting on behalf of the holders of the Securities) and the holders of the Securities may not enforce, and may not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a Monetary Judgment), except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer.

For the avoidance of doubt, the sole and exclusive manner by which the Trustee (acting on behalf of holders of the Securities) and the holders of the Securities may seek to enforce or otherwise claim a Monetary Judgment

S-41

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**Table of Contents**

against the Issuer in connection with the Issuer's breach of a Performance Obligation shall be by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. By its acquisition of the Securities, each holder of the Securities acknowledges and agrees that such holder will not seek to enforce or otherwise claim, and will not direct the Trustee (acting on behalf of the holders of the Securities) to enforce or otherwise claim, a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation, except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer.

The remedies under the Securities are more limited than those typically available to our unsubordinated creditors.

No interest will be due and payable if such interest has been cancelled or deemed cancelled (in each case, in whole or in part) as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation* below. Accordingly, no default in payment or otherwise under the Securities will have occurred or be deemed to have occurred in such circumstances.

Following the occurrence of an Automatic Conversion, 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 no principal or interest can become due and payable after such date. An Automatic Conversion will not constitute a default or a Winding-up Event under the Indenture.

Under the terms of the Indenture, the exercise of the U.K. Bail-in Power by the Relevant U.K. Resolution Authority with respect to the Securities is not a Winding-up Event, a Non-Payment Event, a default in payment or otherwise.

For further detail regarding the limited remedies of the Trustee and the holders of the Securities, see *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Enforcement Events and Remedies* and *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Trustee's Duties* in this prospectus supplement.

***Under the terms of the Securities, you have agreed to be bound by the exercise of any U.K. Bail-in tool by the Relevant U.K. Resolution Authority.***

Notwithstanding any other agreements, arrangements, or understandings between us and any holder of the Securities, by acquiring the Securities, each holder of the Securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in tool by the relevant U.K. Resolution Authority that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Securities; (ii) 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 (and the issue to, or conferral on, the holder of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in tool may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in tool. 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, solely to give effect to, the exercise of any U.K. Bail-in tool by the relevant U.K. resolution authority.

Accordingly, any U.K. Bail-in tool may be exercised in such a manner as to result in you and other holders of the Securities losing all or a part of the value of your investment in the Securities or receiving a different security from the Securities, which may be worth significantly less than the Securities and which may have significantly fewer

protections than those typically afforded to debt securities. Moreover, the Relevant U.K. Resolution

S-42

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**Table of Contents**

Authority may exercise the U.K. Bail-in tool without providing any advance notice to, or requiring the consent of, the holders of the Securities. In addition, under the terms of the Securities, the exercise of the U.K. Bail-in tool by the relevant U.K. Resolution Authority with respect to the Securities is not a Winding-up Event or a default in payment. For more information, see *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus. See also *Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities*.

***Changes in law may adversely affect the rights of holders of the Securities.***

Changes in law after the date hereof may affect the rights of holders as well as the market value of the Securities. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Securities, which may have an adverse effect on an investment in the Securities.

In addition, any change in law or regulation that triggers a Regulatory Event or a Tax Event would entitle us, at our option (subject to, amongst other things, receipt of the prior consent of the PRA and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations)), to redeem the Securities, in whole but not in part, as more particularly described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Regulatory Event Redemption* and *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Tax Redemption*, respectively.

Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the Securities and, therefore, affect the trading price of the Securities given the extent and impact on the Securities that one or more regulatory or legislative changes, including those described above, could have on the Securities.

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies (see pages 155-162 of the 2017 Form 20-F for more detail). Such regulatory changes, and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's, and therefore the Issuer's, performance and financial condition. It is not yet possible to predict the details of such legislation or regulatory rulemaking or whether the ultimate consequences to the Group or the holders of the Securities which could be material to the rights of holders of the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities. For example, on November 23, 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks. These proposals amend many of the existing provisions set forth in CRD IV and the BRRD and some of these are now being submitted for consideration by the European Parliament and Council. The majority of these proposals are in draft form and are still subject to the EU legislative process and national implementation. These proposals are now being submitted for consideration by the European Parliament and Council. Until such time as the proposals are formally approved by the European Parliament and Council, there can be no assurance as to whether, or when, the proposed amendments will be adopted and whether they will be adopted in the manner as currently proposed and therefore it is uncertain how they will affect the Issuer, the Group or the holders of the Securities.

***Certain risks related to the interest rate on the Securities being based on the London Interbank Offered Rate.***

The London Interbank Offered Rate (LIBOR) and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. Regulation (EU) 2016/1011 (the Benchmark Regulation) was published in the Official Journal of the European Union on June 29, 2016

and has applied from January 1, 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since June 30, 2016). The Benchmark Regulation could have a material impact on any securities linked to LIBOR or another benchmark rate or index, in

S-43

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**Table of Contents**

particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder must be licensed by the competent authority of the EU member state where such administrator is located. There is a risk that administrators of certain benchmarks will fail to obtain a necessary licence, preventing them from continuing to provide such benchmarks. Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete. As an example of such benchmark reforms, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the FCA Announcement). The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin. On June 22, 2017, the Alternative Reference Rates Committee (ARRC) convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York identified the Secured Overnight Financing Rate (SOFR), a broad U.S. treasuries repo financing rate to be published by the Federal Reserve Bank of New York, as the rate that, in the consensus view of the ARRC, represented best practice for use in certain new U.S. dollar derivatives and other financial contracts. SOFR has been published by the Federal Reserve Bank of New York since April 2018. However, the introduction of SOFR does not necessarily mean that the broader market will adopt it.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions described below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities*, or result in adverse consequences to holders of the Securities. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the Securities, the return on the Securities and the trading market for the Securities. The terms of the Securities provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR (including any page on which such benchmark may be published (or any successor service)) becomes unavailable or ceases to be calculated or administered, including the possibility that the rate of interest could be set by reference to a reference bond rate, successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular interest period may result in the rate of interest for the last preceding interest period being used. This may result in the effective application of a fixed rate for the Securities. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined herein), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on the Securities. Moreover, any of the above matters or any other significant change to the setting or existence of the reference rate could affect the ability of the Issuer to meet its obligations under the Securities or could have a material adverse effect on the value or liquidity of, and the amount payable under the Securities. Investors should consider these matters when making their investment decision with respect to the Securities.

S-44

**Table of Contents**

***Prior to the Conversion Date, holders will not be entitled to any rights with respect to the Issuer's ordinary shares, but will be subject to all changes made with respect to the Issuer's ordinary shares.***

The exercise of voting rights and certain other rights related to any Conversion Shares is only possible after the issue, registration and delivery of the Conversion Shares on the Conversion Date to the Conversion Shares Depository (or the relevant recipient) in accordance with the provisions of, and subject to the limitations provided in, the articles of association of the Issuer and under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event*. Prior to such issuance, registration and delivery, holders will be subject to all changes made with respect to the Issuer's ordinary shares.

***As a result of holders of the Securities receiving Conversion Shares upon the occurrence of a Capital Adequacy Trigger Event, they are particularly exposed to changes in the market price of the Issuer's ordinary shares.***

In general, investors in convertible or exchangeable securities may seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities. Prospective investors in the Securities may look to sell ordinary shares of the Issuer in anticipation of taking a position in, or whilst holding, the Securities. This could drive down the price of the Issuer's ordinary shares. Since the Securities will mandatorily convert into Conversion Shares upon the occurrence of a Capital Adequacy Trigger Event, the price of the Issuer's ordinary shares may be more volatile if the Issuer is trending toward a Capital Adequacy Trigger Event.

***There may not be any trading market for the Securities.***

The Securities are a new issue of securities and have no established trading market. Although application will be made to have the Securities admitted to listing and to trading on the ISM, there can be no assurance that an active trading market will develop. Even if an active trading market does develop, it may not be liquid and may not continue for the term of the Securities. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the Group's financial condition and prospects and other factors that generally influence the market prices of securities. If the secondary market for the Securities is limited, there may be few buyers for the Securities and this may reduce the relevant market price of the Securities.

***A downgrade of the credit rating assigned by any credit rating agency to the Issuer or to the Securities could adversely affect the liquidity or market value of the Securities. Credit ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies.***

Upon issuance, the Securities may be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that the Securities are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to the Issuer and/or, if applicable, the Securities may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Issuer's key markets; the level of political support for the industries in which the Issuer operates; the implementation of structural reform; and legal and regulatory frameworks affecting the Issuer's

S-45

**Table of Contents**

legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of changes to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Securities, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Securities on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Securities (whether or not the Securities had an assigned rating prior to such event).

***The Securities are not investment grade and are subject to the risks associated with non-investment grade securities.***

The Securities, upon issuance, will not be considered to be investment grade securities, and as such will be subject to a higher risk of price volatility than higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for the Issuer, or volatile markets, could lead to a significant deterioration in market prices of below-investment grade rated securities such as the Securities.

***You may be subject to U.S. tax upon adjustments (or failure to make adjustments) to the Conversion Price and the Conversion Shares Offer Price even though you do not receive a corresponding cash distribution.***

The Conversion Price and the Conversion Shares Offer Price are subject to adjustment in certain circumstances, as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution* below. If, as a result of adjustments (or failure to make adjustments), your proportionate interest in our assets or earnings were deemed to be increased for U.S. federal income tax purposes, you may be treated as having received a taxable distribution for these purposes, without the receipt of any cash or property. See *Tax Considerations Material U.S. Federal Income Tax Consequences Adjustment of the Conversion Price and Conversion Shares Offer Price* for a further discussion of these U.S. federal tax implications.

***You may be subject to FATCA Withholding after December 31, 2018.***

Under certain provisions of the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder (commonly referred to as **FATCA**), as well as certain intergovernmental agreements between the United States and certain other countries (including the U.K.) together with local country implementing legislation, a 30% withholding tax may be imposed on all or some of the payments on the Securities and Conversion Shares after December 31, 2018 to holders of the Securities and non-U.S. financial institutions receiving payments on behalf of such holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current regulations, the amount to be withheld is not defined, and it is not yet clear whether or to what extent payments on the Securities and Conversion Shares may be subject to this withholding tax. This withholding tax, if it applies, could apply to any payment made with respect to the Securities and Conversion Shares, including payments of both principal and interest. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Securities and Conversion Shares held through a non-compliant institution may be subject to withholding even if the holder of the Securities otherwise would not be subject to withholding.

S-46

**Table of Contents**

If withholding is required in respect of this withholding tax, the Issuer will not be required to pay any additional amounts with respect to any amounts withheld. A beneficial owner of Securities and Conversion Shares that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld in respect of this withholding tax, but this may entail significant administrative burden. Holders are urged to consult their tax advisers and any banks or brokers through which they will hold the Securities and Conversion Shares as to the consequences (if any) of these rules to them.

S-47

**Table of Contents**

**USE OF PROCEEDS**

After deduction of the underwriting compensation stated on the cover of this prospectus supplement and expenses payable by us estimated at \$925,000, the net proceeds from the sale of the Securities are estimated to be \$2,474,075,000. We intend to use the proceeds of the offering for general corporate purposes of the Issuer and its subsidiaries and/or the Group and to strengthen further the capital base of the Issuer and its subsidiaries and/or the Group.

S-48

**Table of Contents****DESCRIPTION OF FIXED RATE RESETTING PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE SECURITIES**

*The following description of the Securities supplements (and, where different from, supersedes) the description of the Securities in the accompanying prospectus. If this prospectus supplement is inconsistent with the accompanying prospectus, this prospectus supplement will prevail with regard to the Securities.*

The Securities will constitute a series of Contingent Convertible Securities issued under the Contingent Convertible Securities Indenture expected to be entered into on August 14, 2018 among us and The Bank of New York Mellon, London Branch, as Trustee and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Contingent Convertible Security Registrar (the *Base Indenture*), as supplemented by the First Supplemental Indenture expected to be entered into on August 14, 2018 (the *First Supplemental Indenture* and together with the Base 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. Certain terms used in this prospectus supplement, unless otherwise defined herein, have the meaning given to them in the Indenture. We filed the form of the Base Indenture as an exhibit to the Form F-3 filed on March 1, 2017, and will file the First Supplemental Indenture as an exhibit to a report on Form 6-K on or about August 14, 2018.

The Securities will be issued in an aggregate principal amount of \$2,500,000,000 and will have no fixed maturity or fixed redemption date. From (and including) the Issue Date to (but excluding) September 15, 2023, the interest rate on the Securities will be 7.750% per annum (the *Initial Interest Rate*). From (and including) each Reset Date to (but excluding) the next following Reset Date (each such period, a *Reset Period*), the applicable per annum interest rate (the *Subsequent Interest Rate*) will be equal to the sum of the applicable Mid-Market Swap Rate (such term subject to any replacement or fallback rate determined as described under *Determination of Subsequent Interest Rate* below) on the relevant Reset Determination Date and 4.842% (the *Margin*). Subject to the conditions described under *Interest Cancellation* below and to the last sentence of this paragraph, interest, if any, will be payable quarterly in arrear on March 15, June 15, September 15 and December 15 of each year (each an *Interest Payment Date*). The first date on which interest may be paid will be December 15, 2018 for the period commencing on (and including) August 14, 2018, and ending on (but excluding) December 15, 2018 (and thus a long first interest period). Subject to the conditions described herein, interest on the Securities, if any, will be computed and payable on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

The regular record dates for the Securities will be the Business Day immediately preceding each Interest Payment Date (or, if the Securities are held in definitive form, the 15<sup>th</sup> Business Day preceding each Interest Payment Date). The Reset Dates are September 15, 2023 and each fifth anniversary date thereafter. The Reset Determination Date is the second Business Day immediately preceding each Reset Date.

If any Interest Payment Date is not a Business Day, we will pay interest on the next Business Day, but interest on that payment will not accrue during the period from and after the Interest Payment Date. If a date of redemption is not a Business Day, we may pay interest (if any) and principal on the next Business Day, but interest on that payment will not accrue during the period from and after the date of redemption.

The term *Business Day* means any weekday, other than one on which banking institutions are authorized or obligated by law, regulation or executive order to close in London, United Kingdom, or in New York City.

References to *you* and *holder* in the subsections *Interest Cancellation*, *Ranking*, *Agreement with Respect to the Exercise of U.K. Bail-in Power*, *Automatic Conversion Upon Capital Adequacy Trigger Event*, *Definitions* and

*Subsequent Holders Agreement* below, and in *Certain Definitions* above, include beneficial owners of the Securities.

S-49

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**Table of Contents****General**

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 (the denomination of each book-entry interest being the Tradable Amount of such book-entry interest). Prior to an Automatic Conversion, the aggregate Tradable Amount of the book-entry interests in each Security shall be equal to such Security's principal amount. Following an Automatic Conversion, the principal amount of each Security shall be zero (as described below under *Automatic Conversion Upon Capital Adequacy Trigger Event*) but the Tradable Amount of the book-entry interests in each Security shall remain unchanged.

The principal corporate trust office of the Trustee in the City of London, United Kingdom is designated as the principal paying agent. We may at any time designate additional paying agents or rescind the designation of paying agents or approve a change in the office through which any paying agent acts.

We will issue the Securities in fully registered form. The Securities will be represented by one or more global certificates registered in the name of a nominee of DTC. You will hold beneficial interests in the Securities through DTC and its participants, including Euroclear and Clearstream Luxembourg. The underwriters expect to deliver the Securities through the facilities of DTC on August 14, 2018. Indirect holders trading their beneficial interests in the Securities through DTC must trade in DTC's same-day funds settlement system and pay in immediately available funds. Secondary market trading through Euroclear and Clearstream, Luxembourg will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg. See *Clearance and Settlement* in the accompanying prospectus for more information about these clearing systems.

Definitive securities will only be issued in the limited circumstances described under *Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities Special Situations When a Global Security Will Be Terminated* in the accompanying prospectus.

Payment of principal of and interest (if any) on the Securities, so long as the Securities are represented by global certificates, will be made in immediately available funds. Beneficial interests in the global certificates will trade in the same-day funds settlement system of DTC, and secondary market trading activity in such interests will therefore settle in same-day funds. The Issuer currently expects such trading and settlement to continue in the period between the Conversion Date and the Suspension Date.

**Determination of Subsequent Interest Rate*****Mid-Market Swap Rate and Fallbacks***

Mid-Market Swap Rate is the mid-market U.S. dollar swap rate LIBOR basis having a five-year maturity appearing on Bloomberg page USISDA05 (or such other page as may replace such page on Bloomberg, 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 (the Relevant Screen Page)) at approximately 11:00 a.m. (New York time) on the relevant Reset Determination Date, as determined by the Calculation Agent.

If such swap rate does not appear on the Relevant Screen Page (in circumstances other than those described under *Replacement Benchmark* below), the relevant Subsequent Interest Rate shall instead be (i) a rate per annum equal to the aggregate of the applicable Reference Bond Rate (as defined below) on the relevant Reset Determination Date and 4.978%, calculated by the Calculation Agent; or (ii) in the event that the Reference Bond Rate is not available (which shall be the case if only one Reference Government Bond Dealer Quotation (as defined below) is received or if no Reference Government Bond Dealer Quotations are received), a rate per annum equal to the aggregate of the

applicable Mid-Swap Fallback Rate (as defined below) on the relevant Reset Determination Date and the Margin, calculated by the Calculation Agent. In each case, each Subsequent Interest Rate shall be determined in compliance with the Capital Regulations applicable to the Group in force at the relevant time.

S-50

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**Table of Contents**

**Mid-Swap Fallback Rate** means the mid-market U.S. dollar swap rate LIBOR basis having a five-year maturity determined by the Calculation Agent on the basis of Five-Year Mid-Market Swap Rate Quotations (as defined below) provided by the principal office of each of four major banks in the U.S. dollar swap rate market (which banks shall be selected by the Issuer (using all reasonable efforts) no less than 20 days prior to the relevant Reset Determination Date) (the Reference Banks ) at approximately 11:00 a.m. (New York time) (or thereafter on such date, with the Calculation Agent using all reasonable efforts) on the relevant Reset Determination Date. If at least three Five-Year Mid-Market Swap Rate Quotations are provided, the Mid-Swap Fallback Rate will be the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of such Five-Year Mid-Market Swap Rate Quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Five-Year Mid-Market Swap Rate Quotations are provided, the Mid-Swap Fallback Rate will be the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of such Five-Year Mid-Market Swap Rate Quotations. If only one Five-Year Mid-Market Swap Rate Quotation is provided, the Mid-Swap Fallback Rate will be the quotation provided. If no Five-Year Mid-Market Swap Rate Quotations are provided, the Mid-Swap Fallback Rate will be (i) in respect of the Mid-Swap Fallback Rate determined in respect of the Reset Date falling on September 15, 2023, 2.981% per annum or (ii) in respect of the Mid-Swap Fallback Rate determined in respect of any Reset Date other than September 15, 2023, the Mid-Market Swap Rate or Mid-Swap Fallback Rate, as applicable, in respect of the immediately preceding Reset Date.

**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 U.S. dollar 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 LIBOR (calculated on an actual/360 day count basis).

**Reference Bond** means the selected U.S. government security or securities agreed between the Issuer and the Calculation Agent as having an actual or interpolated maturity of five years, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in U.S. dollars and of a maturity of five years.

**Reference Bond Price** means, with respect to any Reset Determination Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations.

**Reference Bond Rate** means, with respect to any Reset Date for which such rate applies, the rate per annum equal to the yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reset Determination Date.

**Reference Government Bond Dealer** means each of five banks selected by the Calculation Agent (following consultation with the Issuer), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues.

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any Reset Determination Date, the arithmetic average, as determined by Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) as at 11:00 a.m. (New York time) on the Reset Determination Date and quoted in writing to the Calculation Agent by such Reference

Government Bond Dealer.

S-51

**Table of Contents*****Replacement Benchmark***

If the Issuer determines that the Mid-Market Swap Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark rate ceasing to be calculated or administered when any Subsequent Interest Rate remains to be determined by such Mid-Market Swap Rate, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the relevant Reset Determination Date relating to the next succeeding Reset Period (the IA Determination Cut-off Date ) a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Subsequent Interest Rate applicable to the Securities;
- (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Mid-Market Swap Rate in relation to the Securities for each of the future Reset Periods (subject to the subsequent operation of, and to adjustment as described here under *Replacement Benchmark*; provided, however, that if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Reset Determination Date, the rate of interest applicable to the next succeeding Reset Period shall be equal to the rate of interest last determined in relation to the Securities in respect of the preceding Reset Period (or alternatively, if there has not been a first Reset Date, the rate of interest applicable to the first Reset Period shall be the Initial Interest Rate); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as described herein);
- (iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities* , including but not limited to the Margin, day count fraction, Relevant Screen Page, Business Day, Reset Determination Date and/or the definition of Mid-Market Swap Rate, and the method for determining the fallback rate in relation to the Securities, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and the Subsequent Interest Rate shall be the aggregate of (i) the

Successor Rate or, as applicable, the Alternative Reference Rate, (ii) the Adjustment Spread and (iii) the Margin. If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread and the Subsequent Interest Rate shall be the aggregate of (i) the Successor Rate or, as applicable, the Alternative Reference Rate and (ii) the Margin. For the avoidance of doubt, the Trustee and the Calculation Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Indenture, the Calculation Agency Agreement and the terms of the Securities as may be required in order to give effect to the provisions described here under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities* . Consent of the holders of Securities shall not be required in connection with effecting the Successor

**Table of Contents**

Rate or the Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or the Calculation Agent; and

- (v) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Trustee, the Calculation Agent and DTC or the holders of the Securities, as applicable, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities* , provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Securities, shall be made in accordance with the Capital Regulations applicable to the Group in force at the relevant time.

**Adjustment Spread** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to holders of the Securities as a result of the replacement of the Mid-Market Swap Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Mid-Market Swap Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Mid-Market Swap Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

**Alternative Reference Rate** means the rate that the Independent Adviser or the Issuer (as applicable) determines in its discretion has replaced the Mid-Market Swap Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in U.S. dollars and of a comparable duration to the relevant interest period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Mid-Market Swap Rate;

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense; and

Relevant Nominating Body means, in respect of a reference rate:

- (i) the central bank for the U.S. dollar, or any central bank or other supervisory authority that is responsible for supervising the administrator of the reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of
  - (a) the central bank for the U.S. dollar, (b) any central bank or other supervisory authority that is

S-53

## **Table of Contents**

responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Mid-Market Swap Rate which is formally recommended by any Relevant Nominating Body.

## **Further Issues**

We may, without the consent of the holders of the Securities, issue additional securities having the same ranking and same interest rate, interest cancellation terms, redemption terms, Conversion Price and other terms as the Securities described in this prospectus supplement except for the price to the public and issue date (the **additional securities** ).

Any such additional securities, together with the Securities offered by this prospectus supplement, will constitute a single series of securities under the Indenture. There is no limitation on the amount of Securities or other debt securities that we or our subsidiaries may issue under the Indenture and there is no restriction on us issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.

## **Interest Cancellation**

### ***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.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

Because the Securities are intended to qualify as additional tier 1 capital under CRD IV, the Issuer may cancel (in whole or in part) any interest payment at its discretion and may pay dividends on its ordinary or preference shares notwithstanding such cancellation. In addition, the Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

See also *Interest Cancellation 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

S-54

## **Table of Contents**

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.

The Issuer will be responsible for determining compliance with this restriction on interest payments and neither the Trustee nor any agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

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

### ***Agreement to Interest Cancellation***

By subscribing for, purchasing or otherwise 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 the Issuer at its 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. The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

### ***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 DTC (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 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 *pari passu* without any preference among themselves. In the event of our winding up or administration, the rights and claims of the

S-55

**Table of Contents**

holders of the Securities in respect of or arising from the Securities (including any damages (if payable)) 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 such winding-up or 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 such winding-up or 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 such winding-up or 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 administration, was an amount equal to the principal amount of the relevant Security together with any damages (if payable) 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, then for purposes of determining the claim of a holder of Securities in such winding-up or administration, the Conversion Date in respect of an Automatic Conversion shall be deemed to have 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 specified in (a) or (b) 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). For purposes of determining whether the Solvency Condition is met, 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.

An officer's certificate executed in accordance with the Indenture as to the Issuer's solvency at any particular point in time shall be treated by the Issuer, the Trustee, the holders of the Securities and all other interested parties as correct and sufficient evidence thereof.

Any payment of interest not due by reason of these provisions relating to ranking shall be deemed cancelled as provided under *Interest Cancellation* above.

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

S-56

**Table of Contents**

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).

Because of the subordination described above, in the event of our winding-up in England (or in any other jurisdiction which we are incorporated), our Senior Creditors may recover more, ratably, than the holders of the Securities and any Parity Securities. Currently, we have no limitations on issuing indebtedness which would constitute the claims of Senior Creditors.

In addition, the Issuer is a holding company that currently has no significant assets other than its loans to, and investment in, Barclays Bank. As a holder of ordinary shares in Barclays Bank (or any of its subsidiaries), the Issuer's right to participate in the assets of Barclays Bank (or any other subsidiary) if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's third party creditors and preference shareholders, except in the limited circumstance where the Issuer is a creditor with claims that are recognized to be ranked *pari passu* with such claims of other of the subsidiary's third party creditors and/or preference shareholders against such subsidiary. See *Risk Factors The Issuer is a holding company, which means that the Issuer's right to participate in the assets of any of its subsidiaries (including those of Barclays Bank, the group service company or any other present or future subsidiary, such as BBUKPLC) upon the liquidation of such subsidiaries and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated.*

**No Set-off**

The Securities are subject to the waiver of set-off provisions set forth in the accompanying prospectus under *Description of Contingent Convertible Securities No Set-off.*

**Agreement with Respect to the Exercise of U.K. Bail-in Power**

Notwithstanding any other agreements, arrangements, or understandings between us and any holder of the Securities, by acquiring the Securities, each holder of the Securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power by the Relevant U.K. Resolution Authority that may result in (i) the reduction or cancellation of all, or a portion of, the principal amount of, or interest on, the Securities; (ii) 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 (and the issue to, or conferral on, the holder of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in Power. For more information, see *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus. See also *Risk Factors Under the terms of the Securities, you have agreed to be bound by the exercise of any U.K. Bail-in tool by the Relevant U.K. Resolution Authority.*

**Payment of Contingent Convertible Additional Amounts**

The Securities are subject to the provisions set forth in the accompanying prospectus under *Description of Contingent Convertible Securities Payment of Contingent Convertible Additional Amounts.*

S-57

**Table of Contents****Redemption*****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 Cancellation* above) to (but excluding) the date fixed for redemption. Any optional redemption will be subject, among other things, 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 and that does, or would be likely to, result in the whole or any part of the outstanding aggregate principal amount of the Securities at any time being excluded from, or ceasing to count towards, the Group's Tier 1 Capital (a Regulatory Event), we may, at our option, at any time, 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 Cancellation* above) to (but excluding) the date fixed for redemption. Any redemption upon the occurrence of a Regulatory Event will be subject, among other things, to the provisions described under *Notice of Redemption* and *Condition to Redemption* below.

As a financial institution, we are required to hold certain kinds and amounts of capital to help us meet our obligations as they fall due. Under CRD IV, this capital includes both Tier 1 capital and Tier 2 capital, with Tier 1 capital divided into common equity Tier 1 capital and additional tier 1 capital. The Securities are intended to qualify as additional tier 1 capital under CRD IV. Additional tier 1 capital under CRD IV consists of (i) perpetual subordinated capital instruments that meet the requirements set out in CRD IV to ensure that they are sufficiently loss absorbent on a going concern basis (i.e., capital that absorbs losses enabling the relevant credit institution to avoid insolvency) and (ii) the share premium account related to such instruments. Under CRD IV, Tier 2 capital broadly includes qualifying subordinated debt that provides loss absorption on a gone concern basis (i.e., capital that absorbs losses in an insolvency prior to senior creditors suffering any losses). Both Tier 1 capital and Tier 2 capital items are subject to deductions that are specific to each type of capital as provided under CRD IV. For more information, see *Risk Factors Risks Relating to the Securities Other changes in law may adversely affect the rights of holders of the Securities*.

***Tax Redemption***

We may, at our option, redeem the Securities, in whole but not in part, at any time, 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 Cancellation* above) to (but excluding) the date fixed for redemption, 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 of those laws or regulations, including a decision of any court or tribunal, which becomes effective on or after the Issue Date (or which becomes effective on or after the date of a successor entity's assumption of our obligations):

- (a) we will or would be required to pay holders of the Securities Contingent Convertible Additional Amounts;

- (b) we would not be entitled to claim a deduction in respect of any payments in respect of the Securities in computing our taxation liabilities or the value of such 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

S-58

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**Table of Contents**

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 Issue Date 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 in tax law or regulation or the official application thereof, a Tax Event ); *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.

Before we give a notice of redemption as a result of a Tax Event, we shall be required to deliver to the Trustee an opinion of independent counsel of recognized standing, chosen by us, in a form satisfactory to the Trustee confirming that we are entitled to exercise our right of redemption.

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 DTC (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 DTC 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. The Issuer shall not be entitled to deliver a notice of redemption after an Automatic Conversion Notice has been delivered.

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. The Issuer shall notify the holders and the Trustee of any such rescission as soon as practicable prior to, or, as the case may be, following, the applicable redemption date, provided however that failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such rescission. 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 in respect of the Securities, 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 prior consent of the PRA and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations) for the redemption of the Securities.

S-59

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**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 and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations) and to applicable law and regulation.

***Description of Certain CRD IV Provisions Relating to Redemption and Repurchase***

The rules under CRD IV prescribe certain conditions for the granting of permission by the PRA to a request by us to redeem or repurchase the Securities. Such rules are described in the accompanying prospectus under *Description of Contingent Convertible Securities Description of Certain CRD IV Provisions Relating to Redemption and Repurchase of Contingent Convertible Securities*.

**Conversion Price**

The Conversion Price of the Securities is fixed at \$2.14 per Conversion Share, subject to certain anti-dilution adjustments, as described under *Anti-Dilution* below (the Conversion Price ). On the Issue Date, the Conversion Price is equivalent to the Conversion Shares Offer Price translated into U.S. dollars at an exchange rate of £1.00 = \$1.294.

**Automatic Conversion Upon Capital Adequacy Trigger Event**

If a Capital Adequacy Trigger Event occurs, then an Automatic Conversion will occur on the Conversion Date, as described under *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 on the Conversion Date at the Conversion Price, and under no circumstances shall such released obligations be reinstated. If the Issuer has been unable to appoint a Conversion Shares Depository, it shall make such other arrangements for the issuance and/or delivery of the Conversion Shares or Conversion Shares Offer Consideration, as applicable, to the holders of the Securities as it shall consider reasonable in the circumstances, which may include issuing the Conversion Shares to another nominee or to the holders of the Securities directly, which issuance shall irrevocably and automatically release all of the Issuer's obligations under the Securities (other than the CSO Obligations, if any) as if the Conversion Shares had been issued to the Conversion Shares Depository.

The Automatic Conversion shall occur without delay upon the occurrence of a Capital Adequacy Trigger Event.

A Capital Adequacy Trigger Event shall occur if at any time the fully loaded CET1 Ratio (as defined herein) is less than 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and holders of the Securities.

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 as contemplated above, 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 *Automatic Conversion Procedure*

below.

S-60

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**Table of Contents**

Following an Automatic Conversion, no holder of the Securities will have any rights against the Issuer 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 irrevocably and automatically released and, accordingly, the 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 contemplated above) 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 as contemplated above and 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 DTC 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 ISM after the Suspension Date, subject to receipt by the ISM of any notice by the Issuer required under the ISM's rules and operating procedures.

Subject to the conditions described under *Settlement Procedure* below, 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, 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 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 subscription, purchase or acquisition of the Securities, each holder shall (i) agree to all the terms 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, (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, we shall deliver an Automatic Conversion Notice to the Trustee and to the holders of the Securities via DTC as soon as practicable after such time.

S-61

## **Table of Contents**

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 DTC (or if the Securities are held in definitive form, to the Trustee).

Promptly following its receipt of the Automatic Conversion Notice, pursuant to DTC's procedures currently in effect, DTC will post the Automatic Conversion Notice to its Reorganization Inquiry for Participants System, and within two (2) Business Days of its receipt of the Automatic Conversion Notice, the Trustee shall transmit the Automatic Conversion Notice to the direct participants of DTC 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 DTC.

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 shall be entitled to direct (each in respect of their pro rata share of the Conversion Shares) 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 *Settlement Procedure* below. A holder's pro rata share of the Conversion Shares at any particular time shall be determined based on the aggregate amount of the Tradable Amount of the Securities held by such holder as a proportion of the aggregate amount of the Tradable Amount of all Securities outstanding at the relevant time rounded down, if necessary, to the nearest whole number of Conversion Shares.

Once we have delivered the Automatic Conversion Notice to DTC 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.

The procedures set forth in this section are subject to change to reflect changes in clearing system practices.

### ***The Conversion Shares***

The number of Conversion Shares to be issued to the Conversion Shares Depository on the Conversion Date shall be determined by dividing the aggregate principal amount of the Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued following an Automatic Conversion and no cash payment will be made in lieu thereof. Upon Automatic Conversion on the Conversion Date, the number of Conversion Shares to be held by the Conversion Shares Depository for the benefit of each holder shall be the number of Conversion Shares thus calculated multiplied by a fraction equal to the aggregate amount of the

Tradable Amount of the book-entry interests in the Securities held by such holder on the Conversion Date divided by the aggregate amount of the Tradable Amount of the book-entry interests of all

S-62

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**Table of Contents**

Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date rounded down, if necessary, to the nearest whole number of Conversion Shares.

The Conversion Shares issued following an Automatic Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with our fully paid ordinary shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Conversion Shares so issued will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, the entitlement to which falls prior to the Conversion Date.

If a Qualifying Takeover Event shall have occurred, then, where the Conversion Date falls on or after the QTE Effective Date, Approved Entity Shares of the Approved Entity shall be issued to the Conversion Shares Depository on the Conversion Date instead of Conversion Shares (see *Anti-Dilution Qualifying Takeover Event* below).

The Conversion Shares or the Conversion Shares Offer Consideration, as the case may be, will be delivered to holders of the Securities pursuant to the procedures set forth in *Settlement Procedure* below.

***Conversion Shares Offer***

No later than ten (10) Business Days following the Conversion Date, 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 DTC 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 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 Tradable Amount of the Securities. The Conversion Shares Offer Consideration will be delivered to holders of the Securities pursuant to the procedures set forth under *Settlement Procedure* below. The Issuer reserves the right, in its sole and absolute discretion, to terminate the Conversion Shares Offer at any time during the Conversion Shares Offer Period by providing at least three (3) Business Days' notice to

the Trustee directly and to holders of the Securities via DTC, and, if it does so, the Issuer may, in its sole and absolute discretion, take steps (including changing the Suspension Date)

S-63

**Table of Contents**

to deliver to holders of the Securities the Conversion Shares at a time that is earlier than the time at which they would have otherwise received the Conversion Shares Offer Consideration had the Conversion Shares Offer been completed.

By its subscription for, purchase or other acquisition of the Securities, each holder of the Securities acknowledges and agrees that if the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Conversion Shares Depository, such holder shall be deemed to have: (i) irrevocably consented to any Conversion Shares Offer and to the Conversion Shares Depository using the Conversion Shares to settle any Conversion Shares Offer in accordance with the terms of the Securities, (ii) consented to the transfer of the beneficial interest it holds in the Conversion Shares to the Conversion Shares Depository in connection with the Conversion Shares Offer in accordance with the terms of the Securities, (iii) irrevocably agreed that the Issuer, the Conversion Shares Depository and the Conversion Shares Offer Agent, if any, may take any and all actions necessary to conduct the Conversion Shares Offer in accordance with the terms of the Securities, (iv) agreed that none of the Issuer, the Trustee, the Conversion Shares Depository, if any, or the Conversion Shares Offer Agent, if any, shall, to the extent permitted by applicable law, incur any liability to the holders in respect of the Conversion Shares Offer (except for the obligations of the Conversion Shares Depository in respect of the holders' entitlement to any Conversion Shares Offer Consideration) and (v) authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such Securities to take any and all necessary action, if required, to implement the Automatic Conversion (including any related Conversion Shares Offer).

In the Barclays PLC Notice of Annual General Meeting dated March 21, 2018, the Issuer informed its shareholders of its intention to include in the terms of securities such as the Securities, if permitted by law and regulation, a mechanism providing for a conversion shares offer such as that described above. The Conversion Shares Offer may be conducted at the election of the Issuer, in its sole and absolute discretion, on the terms described above. The Issuer currently expects that in determining whether or not a Conversion Shares Offer shall be conducted and, if one is to be conducted, how and to whom such Conversion Shares Offer shall be made, the directors of the Issuer would, in accordance with their duties, have regard to a variety of matters, including, without limitation, the interests of the Issuer's shareholders, taken as a whole, and the potential impact of a Conversion Shares Offer on the Issuer's financial stability.

Further, neither the occurrence of a Capital Adequacy Trigger Event nor, following the occurrence of a Capital Adequacy Trigger Event, the election (if any) by the Issuer to undertake a Conversion Shares Offer on the terms set out herein, shall preclude the Issuer from undertaking a rights issue at any time on such terms as the Issuer deems appropriate, at its sole discretion, including for the avoidance of doubt the offer of ordinary shares at or below the Conversion Shares Offer Price. Moreover, there can be no assurance that the Conversion Shares Offer would be conducted pursuant to registration under the Securities Act.

***Settlement Procedure***

Delivery of the Conversion Shares or Conversion Shares Offer Consideration, as applicable, to the holders of the Securities will be made in accordance with the following procedures. The procedures set forth in this section are subject to change to reflect changes in clearing system practices.

It is expected that the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) will be delivered to holders of the Securities in uncertificated form through the dematerialized securities trading system operated by Euroclear UK & Ireland Limited, known as CREST, unless the Conversion Shares are not a participating security in CREST at the relevant time, in which case the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) will either be delivered in the form of the relevant clearing system in which the Conversion Shares are a participating security or in certificated

form, as notified by the Issuer to the holders. It is expected that where the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) are to be delivered

S-64

**Table of Contents**

through CREST or such other clearing system in which such Conversion Shares are a participating security, they will be delivered to the account specified by the relevant holder in the relevant Conversion Shares Settlement Notice as described below. It is expected that where the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) are to be delivered in certificated form, the name of the relevant holder (or its nominee) will be entered in the Issuer's share register and a certificate in respect thereof will be dispatched by mail free of charge to the relevant holder or as it may direct in the relevant Conversion Shares Settlement Notice as described below. It is expected that the cash component, if any, of any Conversion Shares Offer Consideration will be delivered through DTC (or, if the Securities are held in definitive form, by check mailed to the holders at their address shown on the register for the Securities) on or around the date on which the Conversion Shares Offer Period ends, subject to DTC's procedures in effect at such time.

The Conversion Shares Offer Notice shall specify the Suspension Date. On the Suspension Date, DTC shall suspend all clearance and settlement of transactions in the Securities. As a result, holders of the Securities will not be able to settle the transfer of any Securities following the Suspension Date, and any sale or other transfer of the Securities that a holder of the Securities may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by DTC and will not be settled through DTC.

The Securities will cease to be admitted to trading on the ISM after the Suspension Date, subject to receipt by the ISM of any notice by the Issuer required under the ISM's rules and operating procedures.

The Conversion Shares Offer Notice shall specify the Suspension Date. On the Suspension Date, the Issuer shall deliver a Conversion Shares Settlement Request Notice to the Trustee directly and to the holders of the Securities via DTC. Such notice shall request that holders complete a Conversion Shares Settlement Notice and shall specify the Notice Cut-off Date and the Final Cancellation Date.

In order to obtain delivery of the relevant Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable, a holder must deliver its Conversion Shares Settlement Notice to the Conversion Shares Depository on or before the Notice Cut-off Date. If such delivery is made after the end of normal business hours at the specified office of the Conversion Shares Depository, such delivery shall be deemed for all purposes to have been made or given on the next following Business Day.

If the Securities are held through DTC, the Conversion Shares Settlement Notice must be given in accordance with the standard procedures of DTC (which may include the notice being given to the Conversion Shares Depository by electronic means) and in a form acceptable to DTC and the Conversion Shares Depository. If the Securities are in definitive form, the Conversion Shares Settlement Notice must be delivered to the specified office of the Conversion Shares Depository together with the relevant Securities.

Subject as provided herein and provided the Conversion Shares Settlement Notice and the relevant Securities, if applicable, are delivered on or before the Notice Cut-off Date, the Conversion Shares Depository shall deliver the relevant Conversion Shares (rounded down to the nearest whole number of Conversion Shares) or Conversion Share component, if any, of any Conversion Shares Offer Consideration (rounded down to the nearest whole number of Conversion Shares), as applicable, to the holder of the relevant Securities completing the relevant Conversion Shares Settlement Notice or its nominee in accordance with the instructions given in such Conversion Shares Settlement Notice on the applicable Settlement Date.

Each Conversion Shares Settlement Notice shall be irrevocable. Failure to properly complete and deliver a Conversion Shares Settlement Notice and the relevant Securities, if applicable, may result in such notice being treated by the Conversion Shares Depository as null and void. Any determination as to whether any Conversion Shares Settlement

Notice has been properly completed and delivered shall be made by the Conversion Shares Depository in its sole and absolute discretion and shall be conclusive and binding on the relevant holder.

Neither the Issuer, nor any member of the Group shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid

S-65

**Table of Contents**

as a consequence of the delivery of Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration), which tax shall be borne solely by the holder or, if different, the person to whom the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) are delivered.

The Conversion Shares (and the Conversion Share component, if any, of any Conversion Shares Offer Consideration) will not be available for delivery (i) to, or to a nominee for, Euroclear or Clearstream, Luxembourg or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depository receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the abolition day as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom, or, if earlier, such other time at which the Issuer, in its absolute discretion, determines that no charge under Section 67, 70, 93 or 96 of the Finance Act 1986 or any similar charge (under any successor legislation) would arise as a result of such delivery or (iii) to the CREST account of such a person described in (i) or (ii).

***Failure to Deliver a Conversion Shares Settlement Notice***

If a Conversion Shares Settlement Notice and the relevant Securities, if applicable, are not delivered to the Conversion Shares Depository on or before the Notice Cut-off Date, then the Conversion Shares Depository shall continue to hold the relevant Conversion Shares (or Conversion Share component, if any, of any Conversion Shares Offer Consideration) until a Conversion Shares Settlement Notice (and the relevant Securities, if applicable) is so delivered. However, the relevant Securities shall be cancelled on the Final Cancellation Date and any holder of Securities delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares (or the relevant Conversion Shares component, if any, of any Conversion Shares Offer Consideration) satisfactory to the Conversion Shares Depository in its sole and absolute discretion in order to receive delivery of such Conversion Shares (or Conversion Share component of any Conversion Shares Offer Consideration). The Issuer shall have no liability to any holder of the Securities for any loss resulting from such holder not receiving any Conversion Shares (or Conversion Share component of any Conversion Shares Offer Consideration) or from any delay in the receipt thereof, in each case as a result of such holder failing to duly submit a Conversion Shares Settlement Notice and the relevant Securities, if applicable, on a timely basis or at all.

***Definitions***

For the purposes of these provisions:

**Automatic Conversion** means the irrevocable and automatic release of all of the Issuer's obligations under the Securities (other than the CSO Obligations, if any) in consideration of the Issuer's issuance of the Conversion Shares at the Conversion Price to the Conversion Shares Depository (on behalf of the holders of the Securities) or to the relevant recipient, in accordance with the terms of the Securities.

**Automatic Conversion Notice** means the written notice to be delivered by us to the Trustee directly and to the holders of the Securities via DTC (or, if the Securities are held in definitive form, by us to the Trustee directly and to the holders at their addresses shown on the register for the Securities) specifying (i) that a Capital Adequacy Trigger Event has occurred, (ii) the Conversion Date or expected Conversion Date, (iii) the Conversion Price, (iv) that we have the option, at our sole and absolute discretion, to elect that a Conversion Shares Offer be conducted and that we will issue a Conversion Shares Offer Notice via DTC within ten (10) Business Days following the Conversion Date notifying holders of our election and (v) that the Securities shall remain in existence 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 and (b) the Issuer's CSO Obligations, if any, and that the Securities may continue to be transferable until the Suspension Date, which shall be specified in the Conversion Shares Offer Notice.

S-66

**Table of Contents**

**Cancellation Date** means (i) with respect to any Security for which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository on or before the Notice Cut-off Date, the applicable Settlement Date and (ii) with respect to any Security for which a Conversion Shares Settlement Notice is not received by the Conversion Shares Depository on or before the Notice Cut-off Date, the Final Cancellation Date.

**Conversion Date** means the date on which the Automatic Conversion shall take place, or has taken place, as applicable.

**Conversion Shares** means the ordinary shares of the Issuer to be issued to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities) following an Automatic Conversion, which ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of the Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of ordinary shares.

**Conversion Shares Depository** means a financial institution, trust company, depository entity, nominee entity or similar entity to be appointed by the Issuer on or prior to any date when a function ascribed to the Conversion Shares Depository in the Indenture is required to be performed, to perform such functions and which, as a condition of such appointment, will be required to undertake, for the benefit of the holders of the Securities, to hold the Conversion Shares (and any Conversion Shares Offer Consideration) on behalf of such holders of the Securities in one or more segregated accounts, unless otherwise required for the purposes of the Conversion Shares Offer and, in any event, on terms consistent with the Indenture.

**Conversion Shares Offer Agent** means the agent(s), if any, to be appointed on behalf of the Conversion Shares Depository by the Issuer, in its sole and absolute discretion, to act as placement or other agent of the Conversion Shares Depository to facilitate a Conversion Shares Offer.

**Conversion Shares Offer Consideration** means in respect of each Security (i) if all of the Conversion Shares are sold in the Conversion Shares Offer, the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs), (ii) if some but not all of the Conversion Shares are sold in the Conversion Shares Offer, (x) the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs) and (y) the *pro rata* share of the Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Security rounded down to the nearest whole number of Conversion Shares, and (iii) if no Conversion Shares are sold in a Conversion Shares Offer, the relevant Conversion Shares attributable to such Security rounded down to the nearest whole number of Conversion Shares, subject in the case of (i) and (ii)(x) above to deduction from any such cash proceeds of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the transfer of any interest in the Conversion Shares to the Conversion Shares Depository as a consequence of the Conversion Shares Offer.

**Conversion Shares Offer Notice** means the written notice to be delivered by us to the Trustee directly and to the holders of the Securities via DTC (or, if the Securities are held in definitive form, by us to the Trustee directly and to the holders at their addresses shown on the register for the Securities) specifying (i) whether or not the Issuer has elected that a Conversion Shares Offer be made and, if so, the Conversion Shares Offer Period, (ii) the Suspension Date, and (iii), details of the Conversion Shares Depository or if the Issuer has been unable to appoint a Conversion Shares Depository, such other arrangements for the issuance and/or delivery of the Conversion Shares or the Conversion Shares Offer Consideration, as applicable, to the holders of the Securities as it shall consider reasonable in

the circumstances.

Conversion Shares Offer Period means the period during which the Conversion Shares Offer may occur, which period shall end no later than forty (40) Business Days after the delivery of the Conversion Shares Offer Notice.

S-67

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**Table of Contents**

**Conversion Shares Offer Price** means £1.65 per Conversion Share (subject to certain anti-dilution adjustments, as described under *Anti-Dilution* below).

**Conversion Shares Settlement Notice** means a written notice to be delivered by a holder to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the Securities), with a copy to the Trustee, no earlier than the Suspension Date containing the following information: (i) the name of the holder, (ii) the aggregate amount of the Tradable Amount of the book-entry interests in the Securities held by such holder on the date of such notice, (iii) the name to be entered in the Issuer's share register, (iv) the details of the CREST or other clearing system account or, if the Conversion Shares are not a participating security in CREST or another clearing system, the address to which the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) and/or cash (if not expected to be delivered through DTC) should be delivered and (v) such other details as may be required by the Conversion Shares Depository.

**Conversion Shares Settlement Request Notice** means the written notice to be delivered by us to the Trustee directly and to the holders of the Securities via DTC (or, if the Securities are held in definitive form, by us to the Trustee directly and to the holders at their registered addresses as shown on the register for the Securities) on the Suspension Date requesting that holders complete a Conversion Shares Settlement Notice and specifying (i) the Notice Cut-off Date and (ii) the Final Cancellation Date.

**CSO Obligations** means the obligations of the Issuer under the Securities that may arise in connection with a Conversion Shares Offer to: (i) facilitate the preparation of a prospectus or other offering document, if applicable, and (ii) take responsibility for such prospectus or other offering document, which obligations (and any claims relating to a failure to facilitate the preparation of, or take responsibility for, such prospectus or other offering document) shall terminate in the event of the winding-up or administration of the Issuer.

**Final Cancellation Date** means the date, as specified in the Conversion Shares Settlement Request Notice, on which the Securities in relation to which no Conversion Shares Settlement Notice has been received by the Conversion Shares Depository on or before the Notice Cut-off Date shall be cancelled, which date may be up to twelve (12) Business Days following the Notice Cut-off Date.

**Notice Cut-off Date** means the date specified as such in the Conversion Shares Settlement Request Notice, which date shall be at least forty (40) Business Days following the Suspension Date.

**Settlement Date** means (i) with respect to any Security in relation to which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository on or before the Notice Cut-off Date, the later of (a) the date that is two (2) Business Days after the end of the relevant Conversion Shares Offer Period and (b) the date that is two (2) Business Days after the date on which such Conversion Shares Settlement Notice has been received by the Conversion Shares Depository and (ii) with respect to any Security in relation to which a Conversion Shares Settlement Notice is not received by the Conversion Shares Depository on or before the Notice Cut-off Date, the date on which the Conversion Shares Depository delivers the relevant Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable.

**Suspension Date** means the date specified in the Conversion Shares Offer Notice as the date on which DTC shall suspend all clearance and settlement of transactions in the Securities in accordance with its rules and procedures, which date shall be no later than thirty-eight (38) Business Days after the delivery of the Conversion Shares Offer Notice to DTC (and, if the Issuer elects that a Conversion Shares Offer be made, such date shall be at least two (2) Business Days prior to the end of the relevant Conversion Shares Offer Period).

S-68

**Table of Contents****Anti-Dilution*****Adjustment of Conversion Price and Conversion Shares Offer Price***

Upon the occurrence of any of the events described below, the Conversion Price and the Conversion Shares Offer Price shall be adjusted as follows:

- (i) If and whenever there shall be a consolidation, reclassification or subdivision in relation to the ordinary shares of the Issuer, each of the Conversion Price and the Conversion Shares Offer Price shall be adjusted by multiplying the relevant Price in effect immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of ordinary shares of the Issuer in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

B is the aggregate number of ordinary shares of the Issuer in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Issuer shall issue any ordinary shares credited as fully paid to the Issuer's shareholders as a class by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such ordinary shares are or are to be issued instead of the whole or part of a Cash Dividend which the Issuer's shareholders would or could otherwise have elected to receive, (2) where the Issuer's shareholders may elect to receive a Cash Dividend in lieu of such ordinary shares or (3) where any such ordinary shares are or are expressed to be issued in lieu of a dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to the Issuer's shareholders, whether at their election or otherwise), each of the Conversion Price and the Conversion Shares Offer Price shall be adjusted by multiplying the relevant Price in effect immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of ordinary shares of the Issuer in issue immediately before such issue; and

B is the aggregate number of ordinary shares of the Issuer in issue immediately after such issue.  
Such adjustment shall become effective on the date of issue of such ordinary shares.

(iii) If and whenever the Issuer shall issue any ordinary shares to all or substantially all of the Issuer's shareholders as a class by way of rights at a price per ordinary share which is less than 95% of the Current Market Price per ordinary share on the Effective Date, each of the Conversion Price and the Conversion Shares Offer Price shall be adjusted by multiplying the relevant Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of ordinary shares of the Issuer in issue on the Effective Date;

S-69

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**Table of Contents**

B is the aggregate number of ordinary shares of the Issuer that the aggregate consideration (if any) receivable for the ordinary shares issued by way of rights would purchase at such Current Market Price per ordinary share on the Effective Date; and

C is the number of ordinary shares to be issued.  
Such adjustment shall become effective on the Effective Date.

For the purpose of any calculation of the consideration receivable or price pursuant to this paragraph (iii), the following provisions shall apply:

- (1) the aggregate consideration receivable or price for ordinary shares issued for cash shall be the amount of such cash;
  - (2) if the consideration or price determined pursuant to (1) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date;
  - (3) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant ordinary shares or otherwise in connection therewith;
  - (4) the consideration or price shall be determined as provided in (1)-(3) above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity; and
  - (5) references herein to cash shall be construed as cash consideration within the meaning of Section 583(3) of the Companies Act.
- (iv) If and whenever the Issuer shall pay any Extraordinary Dividend to shareholders of the Issuer as a class, each of the Conversion Price and the Conversion Shares Offer Price shall be adjusted by multiplying the relevant Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{A} B$$

where:

- A is the Current Market Price of one ordinary share on the Effective Date; and
  
- B is the portion of the aggregate Extraordinary Dividend attributable to one ordinary share, with such portion being determined by dividing the aggregate Extraordinary Dividend by the number of ordinary shares entitled to receive the relevant Extraordinary Dividend. If the Extraordinary Dividend shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date.

Such adjustment shall become effective on the Effective Date.

Notwithstanding the foregoing provisions:

- (A) where the events or circumstances giving rise to any adjustment pursuant to this section have already resulted or will result in an adjustment to each of the Prices or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances that have already given or will give rise to an adjustment to each of the Prices or where more than one event that gives rise to an adjustment to each of the Prices occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result;

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**Table of Contents**

- (B) such modification shall be made to the operation of the Indenture as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to ensure that an adjustment to each of the Prices or the economic effect thereof shall not be taken into account more than once;
- (C) for the avoidance of doubt, the issue of ordinary shares following an Automatic Conversion or upon any conversion or exchange or the exercise of any other options, warrants or other rights shall not result in an adjustment to either of the Prices;
- (D) in respect of any adjustment pursuant to paragraphs (i) to (iii) above, such adjustment shall be made only up to the extent it does not result in a Conversion Price or Conversion Shares Offer Price that, if applied to the number of relevant Securities at the time of such adjustment, would result in a number of Conversion Shares that constitutes a greater proportion of Conversion Shares as a percentage of the total number of ordinary shares issued had the adjustment not been made nor had the corporate event occurred; and
- (E) in respect of any adjustment pursuant to paragraph (iv) above, such adjustment shall be made only up to the extent it does not result in a Conversion Price or Conversion Shares Offer Price that, if applied to the number of relevant Securities at the time of such adjustment, would result in the issue of an additional number of Conversion Shares having a value that is greater than the value of the aggregate Extraordinary Dividend which would be attributable to the ordinary shares underlying the Securities had such ordinary shares been issued.

***No Retroactive Adjustments***

The Issuer shall not issue any additional Conversion Shares if the Automatic Conversion occurs after the record date in respect of any consolidation, reclassification or subdivision as is mentioned in paragraph (i) of *Adjustment of Conversion Price and Conversion Shares Offer Price* above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in paragraphs (ii), (iii) or (iv) of *Adjustment of Conversion Price and Conversion Shares Offer Price* above, but before the relevant adjustment to the relevant Price becomes effective under such section.

***Decision of an Independent Financial Adviser***

If any doubt shall arise as to whether an adjustment is required to be made to either of the Prices or as to the appropriate adjustment to such Prices, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Issuer, the Trustee and the holders, save in the case of manifest error.

***Rounding Down and Notice of Adjustment to the Conversion Price and the Conversion Shares Offer Price***

On any adjustment to the Conversion Price and the Conversion Shares Offer Price as provided under *Anti-Dilution*, if the resultant Conversion Price and Conversion Shares Offer Price is a number with more decimal places than the initial Conversion Price or Conversion Shares Offer Price, as the case may be, that number shall be rounded to the same number of decimal places as the initial Conversion Price or Conversion Shares Offer Price, as the case may be. No adjustment shall be made to either of the Prices where such adjustment (rounded down if applicable) would be less than 1% of the relevant Price then in effect. Any adjustment not required to be made, and/or any amount by which the

relevant Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price or the Conversion Shares Offer Price shall be given by the Issuer to holders of the Securities via DTC (or, if the Securities are held in definitive form, via the Trustee) promptly after the determination thereof.

S-71

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**Table of Contents**

The Conversion Price shall not in any event be reduced to below the U.S. dollar equivalent of the nominal value of the ordinary shares (as calculated by the Issuer on the date such adjustment becomes effective). The Conversion Shares Offer Price shall not in any event be reduced to below the nominal value of the ordinary shares.

***Qualifying Takeover Event***

- (i) Within ten (10) Business Days following the occurrence of a Takeover Event, the Issuer shall give notice thereof to the holders of the Securities by means of a Takeover Event Notice.
- (ii) If the Takeover Event is a Qualifying Takeover Event, the Securities shall, where the Conversion Date falls on or after the QTE Effective Date, be converted into or exchanged for Approved Entity Shares of the Approved Entity, *mutatis mutandis* as provided under *Automatic Conversion Upon Capital Adequacy Trigger Event* above, at a Conversion Price that shall initially be the New Conversion Price, which may be higher or lower than the Conversion Price and references herein to Conversion Shares shall be deemed to be references to Approved Entity Shares.
- (iii) The New Conversion Price shall be subject to adjustment in the circumstances provided for under *Adjustment of the Conversion Price and Conversion Shares Offer Price* above (if necessary with such modifications and amendments as an Independent Financial Adviser acting in good faith shall determine to be appropriate and references to ordinary shares shall be read as references to Approved Entity Shares ), and the Issuer shall give notice to the holders of the Securities of the New Conversion Price and of any such modifications and amendments thereafter.
- (iv) In the case of a Qualifying Takeover Event:
  - (1) the Issuer shall, to the extent permitted by applicable law and regulation, on or prior to the QTE Effective Date, enter into such agreements and arrangements (which may include supplemental indentures to the Indenture and amendments and modifications to the terms of the Securities and the Indenture) as may be required to ensure that, with effect from the QTE Effective Date, the Securities shall be convertible into, or exchangeable for, Approved Entity Shares, *mutatis mutandis* in accordance with, and subject to, the provisions under *Automatic Conversion Upon Capital Adequacy Trigger Event* (as may be so supplemented, amended or modified), at the New Conversion Price and any references to the Conversion Price shall be construed as references to the New Conversion Price; and
  - (2) upon the occurrence of a Capital Adequacy Trigger Event where the Conversion Date falls on or after the QTE Effective Date, the Issuer shall procure (to the extent within its control) the issue of the relevant number of Approved Entity Shares *mutatis mutandis* in the manner provided under *Automatic Conversion Upon Capital Adequacy Trigger Event* above, as may be amended or modified as provided above.

The Trustee shall be obliged (at the expense of the Issuer) to concur with the Issuer in making any such amendments and modifications to the Indenture, and to execute any supplemental indentures to the Indenture in respect thereof,

provided that the Trustee shall not be bound to do so if any such amendments or modifications would, in the opinion of the Trustee, have the effect of (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction, (ii) changing, increasing or adding to the obligations or duties of the Trustee or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favor of, the Trustee under the Indenture and/or the terms of the Securities.

For the avoidance of doubt, if a Takeover Event is not a Qualifying Takeover Event (including if that is because the Acquirer is a Governmental Entity), there is no provision for any automatic adjustment to the terms of the Securities, whether in the manner provided for above in respect of Qualifying Takeover Events, or at all.

S-72

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**Table of Contents**

***Definitions***

Unless otherwise provided, for the purposes of this section:

**Acquirer** means the person that controls the Issuer following a Takeover Event. For the purposes of this definition, **control** means the acquisition or holding of legal or beneficial ownership of more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer or the right to appoint or remove a majority of the board of directors of the Issuer. On and after the date of a Qualifying Takeover Event, references to **ordinary shares** shall be read as references to **Approved Entity Shares**.

**Approved Entity** means a body corporate which, on the occurrence of the Takeover Event, has in issue **Approved Entity Shares**.

**Approved Entity Shares** means ordinary shares in the capital of a body corporate that constitutes equity share capital or the equivalent (or depository or other receipts representing the same) which are listed and admitted to trading on a Recognized Stock Exchange. In relation to an Automatic Conversion in respect of which the Conversion Date falls on or after the QTE Effective Date, references herein to **Conversion Shares** shall be deemed to be references to **Approved Entity Shares**.

**Cash Dividend** means any dividend or distribution in respect of the ordinary shares to shareholders of the Issuer which is to be paid or made in cash (in whatever currency), and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to shareholders upon or in connection with a reduction of capital.

**Companies Act** means the Companies Act 2006.

**Current Market Price** means, in respect of an ordinary share at a particular date, the average of the daily Volume Weighted Average Price of an ordinary share on each of the five (5) consecutive dealing days ending on the dealing day immediately preceding such date; provided that, if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Cash Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Cash Dividend (or cum- any other entitlement), then:

- (i) if the ordinary shares to be issued do not rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the ordinary shares shall have been based on a price cum-Cash Dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to such Cash Dividend or entitlement per ordinary share as at the date of first public announcement relating to such Cash Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or
- (ii) if the ordinary shares to be issued do rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the ordinary shares shall have been based on a price ex-Cash Dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to such Cash Dividend or entitlement per ordinary share as at the date

of first public announcement relating to such Cash Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit, and *provided further* that, if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Cash Dividend (or cum- any other entitlement) in respect of a Cash Dividend (or other entitlement) which has been declared or announced but the ordinary shares to be issued do not rank for that Cash Dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the

S-73

**Table of Contents**

purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to such Cash Dividend or entitlement per ordinary share as at the date of first public announcement relating to such Cash Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and *provided further* that, if the Volume Weighted Average Price of an ordinary share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

*dealing day* means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which ordinary shares may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time).

*EEA Regulated Market* means a market as defined by Article 4.1(14) of Directive 2014/65/EC of the European Parliament and of the Council on markets in financial instruments, as the same may be amended from time to time.

*Effective Date* means, for the purposes of paragraph (iii) under *Adjustment of Conversion Price and Conversion Shares Offer Price* above, the first date on which the ordinary shares are traded ex-rights, on the Relevant Stock Exchange and, for the purposes of paragraph (iv) under *Adjustment of Conversion Price and Conversion Shares Offer Price* above, the first date on which the ordinary shares are traded ex-the relevant Cash Dividend on the Relevant Stock Exchange.

*Extraordinary Dividend* means any Cash Dividend that is expressly declared by the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to shareholders or any analogous or similar term, in which case the Extraordinary Dividend shall be such Cash Dividend.

*Governmental Entity* means (i) the United Kingdom Government, (ii) an agency of the United Kingdom Government or (iii) a person or entity (other than a body corporate) controlled by the United Kingdom Government or any such agency referred to in (ii). If the Issuer is then organized in another jurisdiction, the references to *United Kingdom Government* shall be read as references to the government of such other jurisdiction.

*Independent Financial Adviser* means an independent financial institution of international repute appointed by the Issuer at its own expense.

The *New Conversion Condition* shall be satisfied if (a) by not later than seven (7) Business Days following the completion of a Takeover Event where the Acquirer is an Approved Entity, there shall be arrangements in place for the Approved Entity to provide for issuance of Approved Entity Shares following an Automatic Conversion of the Securities on terms *mutatis mutandis* identical to the provisions under *Automatic Conversion Upon Capital Adequacy Trigger Event* above and (b) the Issuer, in its sole and absolute discretion has determined that such arrangements are in the best interest of the Issuer and its shareholders taken as a whole having regard to the interests of its stakeholders (including, but not limited to, the holders of the Securities) and are consistent with applicable law and regulation (including, but not limited to, the guidance of any applicable regulatory body).



**Table of Contents**

New Conversion Price means the amount determined in accordance with the following formula, which shall apply from the QTE Effective Date:

$$\text{NCP} = \text{ECP} * (\text{VWAPAES} / \text{VWAPOS})$$

where:

NCP is the New Conversion Price.

ECP is the Conversion Price in effect on the dealing day immediately prior to the QTE Effective Date.

VWAPAES means the average of the Volume Weighted Average Price of the Approved Entity Shares (translated, if necessary, into the same currency as the price of the ordinary shares at the Prevailing Rate on the relevant dealing day) on each of the five dealing days ending on the dealing day prior to the closing date of the Takeover Event (and where references in the definition of Volume Weighted Average Price to ordinary share shall be construed as a reference to the Approved Entity Shares and in the definition of dealing day, references to the Relevant Stock Exchange shall be to the relevant Recognized Stock Exchange).

VWAPOS is the average of the Volume Weighted Average Price of the ordinary shares on each of the five dealing days ending on the dealing day immediately prior to the closing date of the Takeover Event.

ordinary shares means (a) prior to the QTE Effective Date, fully paid ordinary shares in the capital of the Issuer currently with a nominal value of 25 pence each and (b) on and after the QTE Effective Date, the relevant Approved Entity Shares.

a person includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

Prevailing Rate means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 pm, London time, on that date as appearing on or derived from the relevant page on Bloomberg (or such other information service provider that displays the relevant information) or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 pm, London time, on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the relevant page on Bloomberg (or such other information service provider that displays the relevant information), the rate determined in such other manner as an Independent Financial Adviser shall in good faith prescribe.

Price means the Conversion Price or the Conversion Shares Offer Price, as applicable.

QTE Effective Date means the date with effect from which the New Conversion Condition shall have been satisfied.

Qualifying Takeover Event means a Takeover Event where: (i) the Acquirer is an Approved Entity; and (ii) the New Conversion Condition is satisfied.

Recognized Stock Exchange means an EEA Regulated Market or another regulated, regularly operating, recognized stock exchange or securities market in an OECD member state.

Relevant Currency means sterling or, if at the relevant time or for the purposes of the relevant calculation or determination the LSE is not the Relevant Stock Exchange, the currency in which the ordinary shares are quoted or dealt in on the Relevant Stock Exchange at such time.

S-75

## **Table of Contents**

Relevant Stock Exchange means the LSE or, if at the relevant time the ordinary shares are not at that time listed and admitted to trading on the LSE, the principal stock exchange or securities market on which the ordinary shares are then listed, admitted to trading or quoted or accepted for dealing.

shareholders means the holders of ordinary shares.

Subsidiary has the meaning provided in Section 1159 of the Companies Act.

A Takeover Event shall occur if an offer is made to all (or as nearly as may be practicable all) shareholders (or all (or as nearly as may be practicable all) such shareholders other than the offeror and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer or if any person proposes a scheme with regard to such acquisition and (such offer or scheme having become or been declared unconditional in all respects or having become effective) the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in any person and/or any associate of that person (as defined in Section 988(1) of the Companies Act).

Takeover Event Notice means the notice to the holders of the Securities notifying them that a Takeover Event has occurred and specifying: (1) the identity of the Acquirer; (2) whether the Takeover Event is a Qualifying Takeover Event or not; (3) in the case of a Qualifying Takeover Event, if determined at such time, the New Conversion Price; and (4) if applicable, the QTE Effective Date.

Volume Weighted Average Price means, in respect of an ordinary share (or an Approved Entity Share, as applicable) on any dealing day, the order book volume-weighted average price of an ordinary share (or Approved Entity Share, as applicable) published by or derived from the relevant Bloomberg page or such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an ordinary share (or an Approved Entity Share, as applicable) in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or determined as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

References to ordinary share capital has the meaning provided in Section 1119 of the Corporation Tax Act 2010 (or successor provision or legislation) and equity share capital has the meaning provided in Section 548 of the Companies Act.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to shareholders as a class or by way of rights shall be taken to be references to an issue or offer or grant to all or substantially all shareholders, as the case may be, other than shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognized regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

## **Enforcement Events and Remedies**

### ***Winding-up***

If a Winding-up Event occurs before the occurrence of a Capital Adequacy Trigger Event, subject to *Ranking* above, the outstanding principal amount of the Securities will become immediately due and payable.

S-76

**Table of Contents**

For the avoidance of doubt, as the principal amount of the Securities will become immediately due and payable upon a Winding-up Event that occurs before the occurrence of a Capital Adequacy Trigger Event, neither the Trustee nor the holders of the Securities are required to declare such principal amount to be due and payable.

A Winding-up Event with respect to the Securities shall result if (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding-up which is not successfully appealed within 30 days of the making of such order, (ii) our shareholders adopt an effective resolution for our winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend.

***Non-payment***

If we fail to pay any amount that has become due and payable under the Securities and such failure continues for 14 days, the Trustee may give us written notice of such failure. If within a period of 14 days following the provision of such notice, the failure continues and has not been cured nor waived (a Non-Payment Event), the Trustee may, at its discretion and without further notice to us, institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding-up and/or prove in our winding-up and/or claim in our liquidation or administration. For the avoidance of doubt, no interest will be due and payable if such interest has been cancelled or is deemed cancelled (in each case, in whole or in part) as described under *Interest Cancellation* above. Accordingly, no default in payment under the Securities will have occurred or be deemed to have occurred in such circumstances.

***Limited remedies for breach of obligations (other than non-payment)***

In addition to the remedies for non-payment provided above, the Trustee may without further notice institute such proceedings against the Issuer as the Trustee may think fit to enforce any term, obligation or condition binding on us under the Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the Securities or the Indenture, including, without limitation, payment of any principal or interest, including Additional Amounts) (such obligation, a Performance Obligation); *provided always* that the Trustee (acting on behalf of the holders of the Securities) and the holders of the Securities may not enforce, and may not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a Monetary Judgment), except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. By its acquisition of the Securities, each holder of the Securities acknowledges and agrees that such holder will not seek to enforce or otherwise claim, and will not direct the Trustee (acting on behalf of the holders of the Securities) to enforce or otherwise claim, a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation, except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. See *Risk Factors Risks Relating to the Securities Holders of the Securities will have limited remedies*.

***No other remedies***

Other than the limited remedies specified herein under *Enforcement Events and Remedies* above and subject to *Trust Indenture Act remedies* below, no remedy against us will be available to the Trustee (acting on behalf of the holders of the Securities) or the holders of the Securities whether for the recovery of amounts owing in respect of the Securities or under the Indenture or in respect of any breach by us of any of our obligations under or in respect of the terms of such Securities or under the Indenture in relation thereto; *provided, however*, that such limitation shall not apply to our

obligations to pay the fees and expenses of, and to indemnify, the Trustee (including fees and expenses of Trustee's counsel) and the Trustee's rights to apply money collected to first pay its fees and expenses shall not be subject to the subordination provisions set forth in the Indenture.

S-77

**Table of Contents**

***Trust Indenture Act remedies***

Notwithstanding the limitation on remedies specified herein under *Enforcement Events and Remedies* above, (1) the Trustee will have such powers as are required to be authorized to it under the Trust Indenture Act in respect of the rights of the holders of the Securities under the provisions of the Indenture and (2) nothing shall impair the right of a holder of the Securities under the Trust Indenture Act, absent such holder's consent, to sue for any payment due but unpaid with respect to the Securities; *provided that*, in the case of each of (1) and (2) above, any payme