

## ADMISSION PARTICULARS



### LV Bonds Plc

*(incorporated with limited liability in England and Wales with company no. 15058232)*

**£150,000,000**

**7.625 per cent. Fixed Rate Reset Callable Guaranteed Subordinated Notes due 2046**

**guaranteed on a subordinated basis by**

**Liverpool Victoria Financial Services Limited**

*(incorporated with liability limited by guarantee in England and Wales with company no. 12383237)*

**Issue price: 99.653 per cent.**

The £150,000,000 7.625 per cent. Fixed Rate Reset Callable Guaranteed Subordinated Notes due 2046 guaranteed by Liverpool Victoria Financial Services Limited (the "**Guarantor**") and, together with its consolidated subsidiaries, the "**LV Group**" or the "**Group**") on a subordinated basis (the "**Notes**") will be issued by LV Bonds plc (the "**Issuer**") on 5 May 2026 (the "**Issue Date**").

The Notes will constitute direct, unsecured and subordinated obligations of the Issuer. The guarantee of the Notes will constitute the direct, unsecured and subordinated obligation of the Guarantor.

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market (the "**ISM**") on or about the Issue Date. References in these Admission Particulars to the Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the ISM. The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**") ("**UK MiFIR**"). These Admission Particulars do not constitute a "prospectus" for the purposes of the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") and the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("**PRM Rules**") and, in accordance with the POATRs and the PRM Rules, no prospectus is required in connection with the issuance of the Notes.

**The ISM is a market designated for qualified investors (as defined in Regulation 16 of the POATRs). The London Stock Exchange, as a Recognised Investment Exchange (as defined under the Financial Services and Markets Act 2000 (the "FSMA")) does not make assessments of investor eligibility. Given that under Regulation 16 of the POATRs, only qualified investors are permitted to trade on the ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of the POATRs are permitted to trade on the ISM. Securities admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of these Admission Particulars. These Admission Particulars comprise admission particulars for the purposes of the admission to trading of the Notes to the ISM, in accordance with the ISM Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time) (the "ISM Rulebook").**

The Notes will bear interest from (and including) the Issue Date to (but excluding) 5 May 2036 (the "**First Reset Date**") at the rate of 7.625 per cent. per annum, and thereafter at a reset rate of interest, reset on the First Reset Date and each fifth anniversary thereof, equal to the annualised sum of the applicable Reset Reference Rate, the Initial Margin and the Step-Up Margin. Interest will be payable (subject as provided in "*Terms and Conditions of the Notes – Deferral of Interest*") annually in arrear on 5 May of each year commencing on 5 May 2027. See "*Terms and Conditions of the Notes – Interest*".

The Issuer or the Guarantor may, at their option, elect to defer any interest payment which would otherwise be due on any Interest Payment Date. In addition, payments of interest on the Notes must be deferred by the Issuer or the Guarantor (i) (unless deferral is waived by the Relevant Regulator in certain exceptional circumstances) on each Regulatory Deficiency Interest Deferral Date (as defined in the terms and conditions of the Notes (the "**Conditions**", and references herein to a numbered "**Condition**" shall be construed accordingly)) or (ii) if such payment could not be made in compliance with the Solvency Condition (as defined in the Conditions), as more particularly described in "*Terms and Conditions of the Notes - Deferral of Interest*". Any interest which is deferred will, for so long as it remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest will not themselves bear interest, and will be payable as provided in Condition 6(e). Payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes of the Relevant Jurisdiction (as defined in the Conditions, currently being the United Kingdom), to the extent described in Condition 9.

The Notes will (unless previously redeemed or purchased and cancelled in accordance with the Conditions, and subject to deferral as provided below) mature on 5 May 2046 (the "**Maturity Date**"), and may be redeemed at the option of the Issuer prior to such date, in whole but not in part, at their principal amount together with all Arrears of Interest (if any) and

any other accrued and unpaid interest (i) on the First Reset Date or on any Interest Payment Date thereafter or (ii) at any time (a) upon the occurrence of certain specified tax events, (b) in the event of a Capital Disqualification Event or Ratings Methodology Event (each as defined in the Conditions) (or if a Ratings Methodology Event will occur within six months), or (iii) at any time if 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased by the Issuer, the Guarantor or any other member of the Insurance Group and cancelled, provided that any such redemption will be subject to certain pre-conditions, including compliance with the Regulatory Clearance Condition, continued compliance with applicable Regulatory Capital Requirements and the Relevant Rules (as each such term is defined in the Conditions), all as further provided in Conditions 8(b) and 8(h).

The redemption of the Notes on the Maturity Date or any other date set for redemption of the Notes in accordance with the Conditions shall be deferred if (a) (unless waived by the Relevant Regulator and provided that the Relevant Regulator has not withdrawn such waiver) a Regulatory Deficiency Redemption Deferral Event (as defined in the Conditions) has occurred and is continuing on such date, or would occur if the Notes were to be redeemed, (b) the Notes could not be redeemed in compliance with the Solvency Condition (as defined in the Conditions), (c) the Regulatory Clearance Condition is not satisfied with respect to such redemption or (d) the redemption would otherwise breach the provisions of the Relevant Rules.

The Issuer may, alternatively, in the event of the occurrence of certain specified tax events, or upon the occurrence of a Capital Disqualification Event or a Ratings Methodology Event (or if a Ratings Methodology Event will occur within six months), and subject to certain pre-conditions, including compliance with the Regulatory Clearance Condition, continued compliance with applicable Regulatory Capital Requirements and the Relevant Rules, vary or substitute the Notes for, or so that they remain or become, Qualifying Tier 2 Securities or, as the case may be, Rating Agency Compliance Securities (each as defined in the Conditions), all as further described in Condition 8.

By virtue of acquiring any Note, Noteholders will acknowledge that the Notes may be subject to the exercise of applicable Statutory Loss Absorption Powers, and will accept and agree to be bound by the effect and consequences of any such exercise, as further provided in Condition 12. Furthermore, as described in Condition 12, the Issuer and the Guarantor shall be entitled in certain circumstances to amend the Conditions and/or the Trust Deed to ensure that the Notes are subject to (or are otherwise acknowledged as being so subject to) any applicable Statutory Loss Absorption Powers.

The Notes will be issued in registered form and available and transferable in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Notes will initially be represented by a global certificate in registered form (the "**Global Certificate**") and will be registered in the name of a nominee of a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and, together with Euroclear, the "**Clearing Systems**") on or about the Issue Date. Definitive Certificates (as defined in the Trust Deed) will be issued only in limited circumstances – see "*Overview of the provisions relating to the Notes whilst in Global Form.*"

The Notes are expected, on issue, to be assigned a rating of 'BBB-' by S&P Global Ratings UK Limited ("**S&P**"). S&P is established in the UK and registered under Regulation 1060/2009/EC as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). S&P is not established in the European Economic Area (the "**EEA**") and has not applied for registration under Regulation 1060/2009/EC (as amended) (the "**CRA Regulation**"). The rating issued by S&P has been endorsed by S&P Global Ratings Europe Limited ("**S&P Europe**") in accordance with the CRA Regulation. S&P Europe is established in the EEA and registered under the CRA Regulation. As such S&P Europe is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

**An investment in the Notes involves certain risks. Prospective investors should read the whole of these Admission Particulars, in particular the section entitled "*Risk Factors*" set out on pages 23 to 57.**

## Joint Lead Managers

**Barclays**

**Jefferies**

**The date of these Admission Particulars is 30 April 2026.**

## IMPORTANT NOTICE

The Issuer and the Guarantor accept responsibility for the information contained in these Admission Particulars. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in these Admission Particulars is in accordance with the facts and contains no omission likely to affect its import.

Where third party information has been used in these Admission Particulars, the source of such information has been identified. Any information contained in these Admission Particulars which has been sourced from a third party has been accurately reproduced and, as far as each of the Issuer and the Guarantor is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

These Admission Particulars are to be read in conjunction with all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*" below). These Admission Particulars shall be read and construed on the basis that such information is incorporated in and forms part of these Admission Particulars. The Issuer, the Guarantor and the Joint Lead Managers have not authorised any other person to provide different information. If anyone provides different or inconsistent information, investors should not rely on it. Investors should assume that the information appearing in these Admission Particulars and any information incorporated by reference herein is accurate as of the date on the front cover of these Admission Particulars only.

No person is or has been authorised to give any information or to make any representation other than those contained in or consistent with these Admission Particulars in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor, any of the Joint Lead Managers or the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent (each as defined in the Conditions), any of their respective affiliates or any of the directors, officers, employees, representatives or agents of any of the foregoing (such affiliates and such other persons collectively, "**Associated Persons**"). Neither the delivery of these Admission Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the LV Group since the date hereof or that there has been no adverse change in the financial position or prospects of the Issuer, the Guarantor or the LV Group since the date hereof or that any other information supplied in connection with the Notes is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Joint Lead Managers, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor any of their respective Associated Persons have separately verified the information contained in these Admission Particulars and none of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained in these Admission Particulars (including the information incorporated by reference herein) or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes. None of the Joint Lead Managers, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor any of their respective Associated Persons accepts any liability in relation to the information contained or incorporated by reference in these Admission Particulars or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution. Neither these Admission

Particulars nor any other information supplied in connection with the offering of the Notes is intended to constitute, and should not be considered as, any advice or a recommendation by any of the Issuer, the Guarantor, the Joint Lead Managers or the Trustee or any of their respective Associated Persons that any recipient of these Admission Particulars or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each potential investor contemplating purchasing any Notes should determine for itself the relevance of the information contained in these Admission Particulars and its purchase of Notes should be based upon such investigation as it deems necessary of the financial condition and affairs of the Issuer and the Guarantor, and its own appraisal of the creditworthiness of the Issuer and the Guarantor and the terms of the offering, including the merits and risks involved. None of the Joint Lead Managers, the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent or any of their respective Associated Persons undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by these Admission Particulars nor to advise any investor or potential investor in the Notes of any information coming to their attention.

In the ordinary course of business, each of the Joint Lead Managers and/or their respective affiliates have engaged and may in the future engage in normal banking or investment banking transactions with the Issuer or the Guarantor or their respective affiliates – see “*General Information*”.

The Notes and the guarantee in respect thereof have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of these Admission Particulars, see “*Subscription and Sale*” below.

These Admission Particulars make reference to, and include links to, certain websites. Except for any information which is expressly incorporated by reference in these Admission Particulars as set out in the section “*Information Incorporated by Reference*”, none of the information contained on or accessible via those websites is incorporated by reference in, and such information does not form part of, these Admission Particulars.

## OFFER RESTRICTIONS

Neither these Admission Particulars nor any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes constitutes an offer of, or an invitation by or on behalf of, any of the Issuer, the Guarantor, the Joint Lead Managers or the Trustee or any other person to subscribe for, or purchase, any of the Notes (see "*Subscription and Sale*" below). These Admission Particulars do not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to or from any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Admission Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Trustee, the Joint Lead Managers, the Principal Paying Agent, the Registrar, the Transfer Agent or any of their respective Associated Persons represent that these Admission Particulars may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Trustee, the Joint Lead Managers, the Principal Paying Agent, the Registrar, the Transfer Agent or any of their respective Associated Persons which is intended to permit a public offering of the Notes or the distribution of these Admission Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Admission Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Admission Particulars or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Admission Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Admission Particulars and the offer or sale of Notes in the United States (the "**U.S.**"), the EEA, the UK, Hong Kong, Italy, Singapore and Switzerland. Persons in receipt of these Admission Particulars are required by the Issuer, the Trustee and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of these Admission Particulars, see "*Subscription and Sale*" below.

The Notes are not protected by the Financial Services Compensation Scheme (the "**FSCS**"). The Notes form part of the regulatory capital of the Issuer, the Guarantor and the LV Group. The Issuer, the Guarantor and the LV Group are required to hold regulatory capital to absorb losses (before depositors and other senior creditors suffer losses), including during periods of financial stress. As a provider of capital to the Issuer, the Guarantor and the LV Group, an investor in the Notes should be prepared to suffer losses on its investment if, in particular, the Issuer, the Guarantor, the LV Group and/or the financial sector generally approaches or enters into a period of financial stress. Such losses could be manifested in a number of ways, including (without limitation) that the market price of the Notes may fall significantly or the Issuer or the Guarantor could enter into an insolvent winding-up, with the result that investors in the Notes could lose all or substantially all of their initial investment in the Notes. Since the Notes are not protected by the FSCS, the FSCS will not pay any compensation to an investor under these, or any other, circumstances. Accordingly, an investor in the Notes may lose some, or the entire amount of, its investment in the Notes.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a

“**retail investor**” means a person who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook (“**DISC**”) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024 (the “**CCI Regulations**”).

**PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution 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 (the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**Restrictions of sales in the U.S. and to U.S. persons (as defined in Regulation S)** – The Notes and the guarantee in respect thereof have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws of any state or other jurisdiction of the U.S. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act.

**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)** - Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## SUITABILITY OF INVESTMENT

The Notes are complex financial instruments which may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained, or incorporated by reference, in these Admission Particulars or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including, but not limited to, where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

## PRESENTATION OF INFORMATION

In these Admission Particulars, unless otherwise specified, all references to "**GBP**", "**pounds**", "**sterling**", "**£**", "**p**" or "**pence**" are to the lawful currency of the United Kingdom and to "U.S. dollars" and "US\$" are to United States dollars.

## FORWARD-LOOKING STATEMENTS

These Admission Particulars (including the information incorporated by reference herein) include certain "forward-looking statements". Statements that are not historical facts, including statements about the beliefs and expectations of the Issuer, the Guarantor and the LV Group and their respective directors or management, are forward-looking statements. Words such as "believes", "anticipates", "estimates", "expects", "intends", "plans", "aims", "potential", "will", "would", "could", "considered", "likely", "estimate" and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may

not occur, many of which are beyond the control of the Issuer, the Guarantor and the LV Group and all of which are based on their current beliefs and expectations about future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer, the Guarantor or the LV Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Issuer, the Guarantor and the LV Group and the environment in which the Issuer, the Guarantor and the LV Group will operate in the future. These forward-looking statements speak only as at the date of these Admission Particulars. Prospective investors in the Notes are cautioned against placing undue reliance on any forward-looking statements.

Except as required by the London Stock Exchange, the ISM Rulebook and/or any other applicable law or regulation, the Issuer and the Guarantor expressly disclaim any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements contained in these Admission Particulars to reflect any change in the Issuer and/or the Guarantor's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

### **STABILISATION**

In connection with the offering of the Notes, Barclays Bank PLC (in such capacity the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

### **ALTERNATIVE PERFORMANCE MEASURES**

Certain alternative performance measures ("**APMs**") as described in the European Securities and Markets Authority Guidelines on Alternative Performance Measures are included or referred to in these Admission Particulars (including in the information incorporated by reference). APMs are measures that are not defined under generally accepted accounting principles ("**GAAP**") in the UK and which are used by the Guarantor within its financial publications to supplement disclosures prepared in accordance with other applicable regulations. The Guarantor considers that these measures provide useful information to enhance the understanding of its financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. Where applicable, an explanation of an APM's components and calculation method can be found in these Admission Particulars and the information incorporated by reference herein.

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## INFORMATION INCORPORATED BY REFERENCE

The following documents (or sections of documents), which have previously been published or are published simultaneously with these Admission Particulars, shall be incorporated in, and form part of, these Admission Particulars:

- (i) the audited financial statements of the Issuer as at, and for the financial year ended, 31 December 2025, together with the independent audit report thereon and the notes thereto (available at: <https://www.lv.com/-/life/media/pdfs-lvfs/group/section-172-statement/lv-bonds-2025-financial-statements.pdf>), as set out on the following pages:

<b>Section</b>	<b>Page(s)</b>
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- (ii) the audited financial statements of the Issuer as at, and for the period from 8 August 2023 to, 31 December 2024, together with the independent audit report thereon and the notes thereto (available at: <https://www.lv.com/-/life/media/pdfs-lvfs/group/section-172-statement/lv-bonds-2024-financial-statements.pdf>), as set out on the following pages:

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- (iii) the annual report of the Guarantor for the year ended 31 December 2025 (available at: <https://www.lv.com/-/life/media/pdfs-lvfs/group/annual-reports/2025/annual-report-2025.pdf>) (the "**LV Group Report 2025**"), including the audited non-consolidated and consolidated financial statements of the Guarantor and the LV Group as at, and for the financial year ended, 31 December 2025, together with the independent audit report thereon and the notes thereto, as set out on the following pages of the LV Group Report 2025:

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- (iv) the annual report of the Guarantor for the year ended 31 December 2024 (available at: [lv.com/-/life/media/pdfs-lvfs/group/annual-reports/2024/annual-report-2024.pdf](http://lv.com/-/life/media/pdfs-lvfs/group/annual-reports/2024/annual-report-2024.pdf)) (the “**LV Group Report 2024**”), including the audited non-consolidated and consolidated financial statements of the Guarantor and the LV Group as at, and for the financial year ended 31 December 2024, together with the independent audit report thereon and the notes thereto, as set out on the following pages of the LV Group Report 2024:

<b>Section</b>	<b>Page(s)</b>
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- (v) the solvency and financial condition report for the Guarantor and the LV Group as at 31 December 2025 (available at: <https://www.lv.com/-/life/media/pdfs-lvfs/group/regulatory-returns/2025/group-and-lvfs-sfcr-2025.pdf>),

The documents (or sections of documents) referred to above shall be deemed to be incorporated in, and form part of, these Admission Particulars, save that any statement contained in any information which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of these Admission Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of these Admission Particulars.

Following the publication of these Admission Particulars a supplement may be prepared by the Issuer or the Guarantor in accordance with the International Securities Market Rulebook of the London Stock Exchange. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in these Admission Particulars. Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of these Admission Particulars.

Copies of documents incorporated by reference in these Admission Particulars are available on the Issuer’s website at [www.lv.com](http://www.lv.com).

Any information itself incorporated by reference in the information incorporated by reference in these Admission Particulars shall not form part of these Admission Particulars.

Any non-incorporated information contained in any document referred to herein is either: (i) not considered by the Issuer and the Guarantor to be relevant for prospective investors in the Notes to be issued, or (ii) otherwise covered elsewhere in these Admission Particulars.

## OVERVIEW OF THE PRINCIPAL FEATURES OF THE NOTES

The following overview refers to certain provisions of the terms and conditions of the Notes and the Trust Deed and is qualified by the more detailed information contained elsewhere in these Admission Particulars. Terms which are defined in “Terms and Conditions of the Notes” below have the same meaning when used elsewhere in these Admission Particulars, and references herein to a numbered “Condition” shall refer to the relevant Condition in “Terms and Conditions of the Notes”.

<b>Description of the Notes:</b>	£150,000,000 7.625 per cent. Fixed Rate Reset Callable Guaranteed Subordinated Notes due 2046.
<b>Issue Date:</b>	5 May 2026
<b>Issue Price:</b>	99.653 per cent. of the principal amount of the Notes
<b>Issuer:</b>	LV Bonds plc.  (Legal Entity Identifier (“LEI”): 213800Q3EZSYWUQ1UM74)
<b>Guarantor:</b>	Liverpool Victoria Financial Services Limited, a company limited by guarantee without share capital  (LEI: 213800RSZOU8QUI2OH34)
<b>Trustee:</b>	HSBC Corporate Trustee Company (UK) Limited
<b>Principal Paying Agent, Registrar and Transfer Agent:</b>	HSBC Bank plc
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes and the Guarantor’s ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under “Risk Factors”.
<b>Status and Subordination:</b>	<p>The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves. The rights and claims of the Noteholders against the Issuer will be subordinated in an Issuer Winding-Up as described in Condition 3.</p> <p>If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders may claim or prove in such Issuer Winding-Up. If and to the extent that the amount that the Trustee or the Noteholders could recover in such Issuer Winding-Up (including any damages</p>

awarded for breach of any obligations thereunder) would exceed the amount per Note that would have been paid in respect of such Note in such Guarantor Winding-Up (had the Note been a subordinated obligation of the Guarantor for an amount equal to the relevant Guaranteed Amounts and ranking *pari passu* with the Guarantee), then the Trustee and the Noteholders shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such excess amounts and the right thereto to the Guarantor.

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring, the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders (in each case in relation to any amount which they are entitled to receive in such Issuer Winding-Up in respect of, or arising under, the Notes and the Trust Deed (including any damages awarded for breach of any obligations thereunder)) shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such amounts and the right thereto to the Guarantor as consideration for the Guarantor's agreement to assume, or procure the assumption by a Subsidiary of the Guarantor of, the obligations of the Issuer (including the obligation to pay such aforementioned damages, if any) pursuant to, and in accordance with, Condition 4(c) and shall be deemed irrevocably to have authorised and directed the Issuer (or its liquidator or administrator, as appropriate) to make the payment of any such amounts directly to the Guarantor.

**Guarantee and Subordination:**

The Notes will be irrevocably guaranteed on a subordinated basis by the Guarantor. The rights and claims of Noteholders against the Guarantor are subordinated in a Guarantor Winding-Up as described in Condition 4(b).

**Solvency Condition:**

Other than in circumstances where a Guarantor Winding-Up has occurred or is occurring, all payments under or arising from the Notes or Trust Deed shall be conditional upon the Issuer (in the case of payments by the Issuer) or the Guarantor (in the case of payments by the Guarantor) being solvent (as defined in Condition 3(c)) at the time for payment by the Issuer, or as appropriate, the Guarantor, and no amount shall be due or payable under or arising from the Notes or the Trust Deed (including, without limitation, the Guarantee) unless and until such time as the Issuer, or as appropriate, the Guarantor could make such payment and still be solvent immediately thereafter.

**No set-off:**

By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived any right of set-off, compensation, counterclaim, netting or retention that such Noteholder might otherwise have against the Issuer or Guarantor in respect of or arising under the Notes or the Trust Deed.

**Interest:** The Notes will bear interest from (and including) the Issue Date to (but excluding) 5 May 2036 (the “**First Reset Date**”) at the rate of 7.625 per cent. per annum and thereafter at the applicable Reset Rate (as defined in, and calculated in accordance with, the Conditions) as reset on the First Reset Date and each subsequent fifth anniversary of the First Reset Date. Interest will be payable (subject as provided under “*Deferral of Interest*” below) annually in arrear on 5 May in each year from (and including) 5 May 2027.

**Interest Payment Dates:** 5 May in each year, commencing on 5 May 2027.

**Deferral of Interest:** Either the Issuer or the Guarantor may, in respect of any Interest Payment Date, elect to defer payment of interest which would otherwise be due on the Notes (in whole or in part) for any reason.

Payment of interest on the Notes and any Guaranteed Amounts with respect to interest are required to be deferred (i) (subject to waiver of deferral by the Relevant Regulator in certain circumstances) on each Regulatory Deficiency Interest Deferral Date (being an Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing) or (ii) if such payment could not be made in compliance with the Solvency Condition.

The deferral of interest as described above will not constitute a default by the Issuer or the Guarantor under the Notes or the Trust Deed for any purpose.

**Arrears of Interest:** Any interest on the Notes not paid on an Interest Payment Date as a result of (i) the exercise by the Issuer or the Guarantor of its discretion to defer such payment of interest pursuant to Condition 6(a), (ii) any mandatory deferral of such payment of interest pursuant to Condition 6(b) or (iii) the operation of the Solvency Condition in accordance with Condition 3(c) shall, to the extent and so long as the same remains unpaid, constitute “**Arrears of Interest**”.

Arrears of Interest shall not themselves bear interest, and will be payable as set out in Condition 6(e).

**Redemption at Maturity:** Unless previously redeemed or purchased and cancelled, the Issuer will (subject as provided under “*Deferral of redemption*” below) redeem the Notes on 5 May 2046 (the “**Maturity Date**”) at their principal amount together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) such date.

**Redemption at the option of the Issuer:** Subject to Conditions 8(b) and 8(h), the Issuer may, at its option, having given not less than 15 nor more than 30 days’ notice to the Noteholders redeem all (but not some only) of the Notes on the First Reset Date or on any Interest Payment Date thereafter, in each case at their principal

amount, together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date of redemption.

**Redemption,  
substitution or  
variation at the  
option of the Issuer  
for taxation reasons:**

Subject to Conditions 8(b) and 8(h), if the Issuer satisfies the Trustee immediately before the giving of the notice referred to below:

- (a) as a result of any change in (or proposed change in), or amendment to (or proposed amendment to) the laws or regulations of a Relevant Jurisdiction or the application or official or generally published interpretation thereof, on the next Interest Payment Date, either: (A) the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 9; or (B) the Guarantor (being unable for any reason to procure payment of the relevant amounts due by the Issuer) in making payment of Guaranteed Amounts would be required to pay Additional Amounts as provided or referred to in Condition 9; or (C) the payment of interest (or any Guaranteed Amounts in respect of interest) would be treated as a “distribution” for United Kingdom corporation tax purposes or the Issuer or the Guarantor would otherwise not be able to claim a deduction from taxable profits for United Kingdom corporation tax purposes for interest (or any Guaranteed Amounts in respect of interest) payable on the Notes or for a material part of such interest (or Guaranteed Amounts in respect of such interest); or (D) where: (1) in respect of the payment of interest (or any Guaranteed Amounts in respect of interest), the Issuer or the Guarantor, as the case may be, incurs a loss or a non-trading loan relationship deficit for United Kingdom corporation tax purposes in respect of such interest or Guaranteed Amounts in relation to an accounting period; and (2) other companies with which the Issuer or the Guarantor (as the case may be) is grouped for the purpose of group relief from applicable United Kingdom corporation tax have profits chargeable to United Kingdom corporation tax in respect of that accounting period but such loss or deficit is not capable of being surrendered to offset such profits chargeable to United Kingdom corporation tax of such other companies for United Kingdom corporation 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); and
- (b) the effect of the foregoing cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may, at its option, and having given not less than 30 nor more than 60 days’ notice to, *inter alios*, the Noteholders either:

- (a) redeem all (but not some only) of the Notes, at any time at their principal amount together with all Arrears of Interest (if any) and

any other accrued and unpaid interest to (but excluding) the date of redemption (subject as provided under “*Deferral of redemption*” below); or

- (b) substitute all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain Qualifying Tier 2 Securities,

all as more particularly described in Condition 8(e).

**Redemption, substitution or variation at the option of the Issuer upon a Capital Disqualification Event or Ratings Methodology Event:**

If a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing, or the Issuer or the Guarantor satisfies the Trustee that, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable ratings methodology, a Ratings Methodology Event will occur within a period of six months, then the Issuer may, having given not less than 30 nor more than 60 days’ notice to, *inter alios*, the Noteholders, either:

- (a) redeem all (but not some only) of the Notes at any time at their principal amount, together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date of redemption; or
- (b) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain (1) in the case of a substitution or variation in connection with a Capital Disqualification Event, Qualifying Tier 2 Securities or (2) in the case of a substitution or variation in connection with a Ratings Methodology Event, Rating Agency Compliant Securities,

all as more particularly described in 8(f)

**Clean-up redemption at the option of the Issuer:**

Subject to Conditions 8(b) and 8(h), if at any time on or after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes will be deemed to have been originally issued) has been purchased by the Issuer, the Guarantor or any other member of the Insurance Group and cancelled (or the Issuer and/or Guarantor expects that such aggregate principal amount of the Notes will, prior to any date fixed for redemption, have been so purchased and cancelled, and conditional upon such redemption or purchase and cancellation occurring), the Issuer may give not less than 15 nor more than 30 days’ notice to, *inter alios*, the Noteholders elect to redeem, in accordance with such notice and these Conditions, all (but not some only) of the remaining Notes at any time at their principal amount, together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date fixed for redemption.

**Deferral of Redemption:**

No Notes shall be redeemed on the Maturity Date pursuant to Condition 8(a) or, prior to the Maturity Date, pursuant to any of Condition 8(d), 8(e), 8(f) or 8(i) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption were made on the otherwise applicable redemption date.

If redemption of the Notes is deferred, the Issuer will only redeem the Notes as provided in Condition 8(b).

**Preconditions to redemption, substitution or variation, and purchases:**

Any redemption or purchase of the Notes and any substitution or variation of the terms of the Notes is subject to the Issuer or, as the case may be, the Guarantor having complied with the Regulatory Clearance Condition. Prior to publishing any notice (a) that the Issuer intends to redeem the Notes or (b) of any proposed substitution, variation or purchase of the Notes, the Issuer, or as the case may be, the Guarantor will be required to have complied with the Regulatory Clearance Condition with respect to such redemption, variation, substitution or purchase and (in the case of any redemption or purchase) be in continued compliance with the Regulatory Capital Requirements as required by the Relevant Regulator pursuant to the Relevant Rules.

Any redemption of the Notes, or any purchase of any Notes by the Issuer, the Guarantor or any other member of the Insurance Group, before the fifth anniversary of the Reference Date may only be made: (A) on condition that such redemption or purchase is funded (to the extent then required by the Relevant Regulator or the Relevant Rules) out of the proceeds of a new issuance of capital of at least the same quality as the Notes (or, alternatively, in the case of a purchase of Notes only, by means of an exchange of such Notes for, or conversion of such Notes into, a new issuance of capital of at least the same quality as the Notes) and that such redemption or purchase is otherwise permitted under the Relevant Rules; or (B) in the case of any redemption prior to the fifth anniversary of the Reference Date for taxation reasons pursuant to Condition 8(e) or due to a Capital Disqualification Event pursuant to Condition 8(f), the Issuer or the Guarantor having demonstrated to the satisfaction of the Relevant Regulator (such satisfaction to be conclusively evidenced by satisfaction of the Regulatory Clearance Condition in respect of such redemption or purchase) that (1) the Solvency Capital Requirement applicable to the Guarantor, the Insurance Group and each member of the Insurance Group will be exceeded by an appropriate margin immediately after such redemption (taking into account the solvency position of the Guarantor and all or such relevant part of the Insurance Group, including by reference to the Guarantor's or the Insurance Group's medium-term capital management plan); and (2) either (i) in the case of redemption for taxation reasons pursuant to Condition 8(e), the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date; or (ii) in the case of redemption due to a Capital Disqualification Event pursuant to Condition 8(f) the relevant change in the regulatory classification of the Notes is sufficiently certain and was not reasonably

foreseeable as at the Reference Date, in each case subject to the prevailing Relevant Rules as more particularly described in Condition 8(h)(ii).

**Issuer waiver of redemption, substitution and variation rights:**

Notwithstanding anything to the contrary in Condition 8, the Issuer or the Guarantor may, in its sole discretion and by notice to the Noteholders:

- (i) at any time waive or suspend the Issuer's right to redeem the Notes under any of Condition 8(e), 8(f) or 8(i), in each case for a (definite or indefinite) period of time to be determined by the Issuer or the Guarantor (the "**Inapplicability Period**"); and
- (ii) terminate any ongoing Inapplicability Period,

all as more particularly described in Condition 8(b)(vii).

**Withholding tax and Additional Amounts:**

The Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding or deduction for, or on account of, any taxes required by law in the Relevant Jurisdiction upon payments of interest (including Arrears of Interest and payments of Guaranteed Amounts in respect of interest and Arrears of Interest), but not upon payments of principal or any other amount (or Guaranteed Amounts in respect of principal or any other amount), made by or on behalf of the Issuer in respect of the Notes or by or on behalf of the Guarantor under the Guarantee, will equal the amount which would have been received in the absence of any such withholding or deduction, subject to certain exceptions as set out in Condition 9.

**Events of Default:**

*Issuer non-payment where no Guarantor Winding-Up:*

If (1) neither an Issuer Winding-Up nor a Guarantor Winding-Up has occurred or (2) an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring and, in either case, the Issuer is in default in the payment of any interest (including any Arrears of Interest) or of any principal due in respect of the Notes or any of them, then the Trustee and (where permitted to do so pursuant to Condition 11(d)) the Noteholders may, in accordance with Condition 3(b) and the terms of the Guarantee, but subject also to Conditions 3(c), 6(a), 6(b) and 8(b) claim under the Guarantee for such payments due but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or the Trust Deed.

*Issuer Winding-Up together with Guarantor Winding-Up:*

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee and (where permitted to do so pursuant to Condition 11(d)) the Noteholders may claim under the Guarantee for the Guaranteed Amounts and the Trustee at its

discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) prove and/or claim in the relevant Issuer Winding-Up and/or Guarantor Winding-Up (whether in England and Wales or elsewhere), such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i) or Condition 4(b), as applicable, but may take no further or other action to enforce, prove or claim for any payment by the Issuer or the Guarantor in respect of the Notes or the Trust Deed (including, without limitation, the Guarantee).

*Guarantor non-payment or Guarantor Winding-Up:*

If: (A) default is made by the Guarantor for a period of 14 days or more in the payment of any Guaranteed Amount due under the Guarantee; or (B) the Guarantor is in a Guarantor Winding-Up where an Issuer Winding-Up has not occurred or is not occurring, the Trustee at its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction): (x) institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere) and prove and/or claim in any Issuer Winding-Up, such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i); and (y) in the case of Condition 11(a)(iii)(A), institute proceedings for the winding-up of the Guarantor in England and Wales (but not elsewhere) and, in the case of Condition 11(a)(iii)(A) or 11(a)(iii)(B), prove and/or claim in any Guarantor Winding-Up, such claim being as described in, and subordinated in the manner described in, Condition 4(b), but (in either case) may take no further or other action against either the Issuer or the Guarantor to enforce, prove or claim for any payment due in respect of the Notes or the Trust Deed (including the Guarantee), save as provided in Condition 3(b)(iv).

Any claim against the Issuer or, as appropriate, the Guarantor pursuant to Condition 11(a)(iii) for amounts in respect of principal, interest and/or Arrears of Interest or, as the case may be, Guaranteed Amounts, shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Guarantor or, as appropriate, the Issuer and any claim against the Guarantor or, as appropriate, (and in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii)), the Issuer for amounts in respect of Guaranteed Amounts or, as appropriate, principal, interest and/or Arrears of Interest shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Issuer or, as appropriate, the Guarantor.

**Substitution of obligor and transfer of business:**

The Conditions require the Trustee to agree to the substitution in place of the Issuer or the Guarantor of a Substituted Obligor in the circumstances described in Condition 15 without the consent of Noteholders.

In addition, the Guarantor may, without any prior approval from the Noteholders or the Trustee, transfer the whole or a substantial part (being any part which represents 50 per cent. or more of the liabilities (where the amount of the liabilities of the Guarantor is deemed to mean the same as the technical provisions of the Guarantor, net of reinsurance) relating to policies underwritten by the Guarantor) of its business in the circumstances provided in Condition 17, provided that all the liabilities and obligations of the Guarantor as principal obligor under the Guarantee are transferred to the relevant transferee.

**Form:**

The Notes will be issued in registered form and represented upon issue by a registered global certificate (the “**Global Certificate**”) which will be registered in the name of a nominee for a common depositary (the “**Common Depositary**”) for Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and Euroclear Bank SA/NV (“**Euroclear**”) on or about the Issue Date.

Save in limited circumstances, Notes in definitive form will not be issued in exchange for interests in the Global Certificate.

**Denomination:**

The Notes will be issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof.

**Meetings and resolutions of Noteholders:**

The Conditions and the Trust Deed contain provisions for calling meetings of Noteholders (including by way of conference call or video conference) to consider matters affecting their interests generally.

Written resolutions executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present, and resolutions passed by way of Electronic Consents (as defined in the Trust Deed) given by holders of not less than 75 per cent. in principal amount of the Notes, shall also take effect as Extraordinary Resolutions.

An Extraordinary Resolution passed at any duly convened and held meeting of the Noteholders or by way of a written resolution will be binding on all Noteholders, whether or not they are present at the meeting, execute the written resolution or give any electronic consent, as the case may be.

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant

meeting or who did not vote on the relevant resolution, as applicable, and Noteholders who voted in a manner contrary to the majority.

**Admission to Trading:** Application has been made for the Notes to be admitted to trading on the ISM. The ISM is not a regulated market situated or operating within the UK for the purposes of UK MiFIR. The ISM is a market designated for qualified investors (as defined in Regulation 16 of the POATRs).

**Rating:** The Notes are expected to be assigned a rating of 'BBB-' by S&P. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by S&P.

**Further Issues:** The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) with existing Notes and so that the same shall be consolidated and form a single series with the outstanding Notes.

**Governing Law:** The Notes and the Trust Deed (including the Guarantee), and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with English law.

**Contractual recognition of, and amendments for, Statutory Loss Absorption Powers:** By its acquisition of any Note (or any interest in any Note), each holder of any Note (or any interest in any Note) will acknowledge, accept, consent to and agree to be bound by the exercise of Statutory Loss Absorption Powers and any amendment or variation of the terms of the Notes or any redemption, write-down, conversion, substitution, variation, purchase, cancellation, transfer, suspension of rights or other action (as applicable) in relation to the Notes or the Trust Deed (including the Guarantee) required to give effect to, or resulting from the exercise of, the Statutory Loss Absorption Powers, all as more particularly described in Condition 12.

Furthermore, as further described in Condition 12, the Issuer or the Guarantor (as applicable) shall be entitled in certain circumstances to amend the Conditions and/or the Trust Deed to ensure that the Notes are subject to (or are otherwise acknowledged as being so subject to) any applicable Statutory Loss Absorption Powers.

**Joint Lead Managers:** Barclays Bank PLC  
Jefferies International Limited

**Selling Restrictions:** Customary selling restrictions in the US, EEA, UK, Hong Kong, Italy, Singapore and Switzerland.

Regulation S Category 2.

TEFRA not applicable.

For a further description of restrictions on offers, sales and transfers of the Notes and distribution of these Admission Particulars, see “*Subscription and Sale*”.

<b>UK MiFIR Product Governance:</b>	Solely for the purposes of each manufacturer’s product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.
<b>EU PRIIPs Regulation/DISC/CCI Regulations:</b>	No EU PRIIPs Regulation key information document or DISC/CCI Regulations disclosure document has been prepared as the Notes are not available to retail investors in the EEA or the UK.
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Notes will be on-lent to the Guarantor and used by the Guarantor for its general corporate purposes, including, without limitation, to redeem the Existing Notes / refinance existing indebtedness.
<b>ISIN:</b>	XS3336934701
<b>Common Code:</b>	333693470
<b>CFI/FISN:</b>	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

## RISK FACTORS

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Notes and/or the Guarantee. All of these factors are contingencies which may or may not occur and the Issuer and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring.*

*Any of these risk factors, individually or in the aggregate, could have an adverse effect on the Group and the impact each risk could have on the Group is set out below.*

*Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer and the Guarantor may be unable to pay interest, principal or other amounts on or in connection with the Notes, or (as the case may be) Guaranteed Amounts in respect thereof under the Guarantee, for other reasons, and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in these Admission Particulars (including in the documents incorporated by reference herein) and reach their own views prior to making any investment decision. The risk factors set out below are the Group's current assessment of risks but over the term of the Notes their significance may change or new risks may emerge.*

*Terms and expressions defined in the "Terms and Conditions of the Notes" below have the same meaning when used in this section.*

### RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

#### 1. Risks associated with the Group's insurance products

##### ***The assumptions used by the Group in pricing products and establishing provisions and valuation assumptions may not be consistent with actual experience***

The Group's primary business activities involve the provision of protection, retirement and savings insurance products to UK-based customers. These products are long-term in nature and provide key benefits to policyholders and their dependents. In providing these products, the Group accepts and is required to manage risks associated with (i) the uncertainty of claim timings and amounts, and the consequent risk that exposure to loss arising from the claims experience diverges from that anticipated, and (ii) the certain assumptions used for product pricing, covering the length of maintenance of policies (known as pertinency risk) and the cost of administering a product over its lifecycle (known as expense risk), which together result in the risk that the actual experience is different to previously assumed levels across the Group's insurance portfolio. Any differences in actual experience as against the previous assumptions could give rise to liabilities that differ from those previously anticipated, which could enhance the Group's insurance risk overall.

In particular, the Group is exposed to the following primary insurance risks in relation to its products:

- *Mortality, longevity and morbidity* – Certain of the Group’s protection product liabilities are exposed to the risk of higher-than-expected mortality (life expectancy) and morbidity (health expectancy). Other products (such as Lifetime+, a mortgage equity release product, and the annuity business), are exposed to longevity risk, whereby increases in life expectancy may result in higher benefit payments over longer periods and increased contract liabilities, net of reinsurance.
- *Persistency* – The Group makes assumptions on policyholder product retention in pricing its life insurance business, which includes the timing of retirement events for pensions business. Persistency risk arises where actual lapse or surrender experience differs from these assumptions, which may adversely impact the Group’s ability to recover initial acquisition costs and impact overall claims experience and profitability. For certain Heritage products (which are historic products now closed to new business), persistency also affects the estimated cost of guarantees and options. There is a risk that a higher-than-expected proportion of policies remain in force in order to benefit from such features, which could in turn result in increased liabilities.
- *Cash take-up* – For certain products, the Group makes assumptions regarding the proportion of policyholders who will elect to take a lump-sum cash option at retirement and the level of such cash take-up. Cash take-up risk arises where actual experience differs from these assumptions, which may affect the expected cost and profitability of the products. Lower-than-assumed cash take-up may increase the Group’s exposure to more onerous benefit obligations, such as the payment of guaranteed annuity income for life, resulting in higher contract liabilities.
- *Expense* – In pricing its life insurance business, the Group makes assumptions regarding the duration and cost of servicing and maintaining policies, including ongoing administration and policyholder communications. The Group is exposed to the risk that the charges deducted from policyholder benefits, or the expense assumptions used in pricing protection and annuity products, are insufficient to cover the actual costs incurred.
- *Insurance concentration risk* – The Group’s insurance results are influenced by the size, composition and diversification of its portfolio of insurance contracts. Variability in experience may increase where outcomes differ from expectations for particular segments of the portfolio, and adverse experience affecting a subset of policies may have a disproportionate impact on results. Although the Group writes a diverse mix of life insurance business across a wide range of policyholders and products, substantially all of its business is written in the UK. As a result, the Group is exposed to demographic, economic and regulatory developments affecting the UK (see further ““*The Group operates in a highly regulated sector, and its operations and practices may be affected by changes in law and regulation, changes in interpretation or emphasis with respect to existing law and regulation and/or industry wide changes in approach to law and regulation and/or potential interventions by the FCA, the PRA and other relevant regulators*” below). Any adverse changes in UK-specific regulatory conditions or requirements, or macroeconomic circumstances in the UK generally, could have a material adverse effect on the Group’s financial performance and financial position.

All of the risks outlined above could, either together or independently, result in increased insurance risk exposure and liabilities for the Group, which could in turn have a material

adverse effect on the Group's business, reputation, results of operations, financial condition and prospects.

## **2. Risks associated with the financial markets and the Group's investments**

### ***Significant changes in the financial markets, or the fluctuation or decline in the value of the Group's investments could adversely affect the Group's profitability and financial condition***

As a result of the insurance, investment and retirement products offered to its policyholders, the Group is exposed to the financial markets through the investment of premiums and lump-sum contributions in a range of assets, including equities, gilts, corporate bonds and property. The Group is therefore exposed to the risk of adverse movements or increased volatility in asset values, asset income, liquidity of investment markets, interest rates and credit spreads, which may in turn reduce asset values or income and adversely affect the Group's ability to meet its obligations under insurance and investment contracts. A reduction in the value of the Group's assets relative to contracted obligations or targeted returns will directly or indirectly affect the reported financial results and capital requirements of the Issuer, the Guarantor and/or the Group.

The Group is also exposed to inflation risk where there is a mismatch between the inflation sensitivity of its assets and liabilities. This risk arises in particular in respect of inflation-linked benefit payments and ongoing maintenance expenses. Higher-than-expected inflation, or adverse movements in financial markets occurring at the same time as increased inflationary pressures, could increase liabilities or expenses and have a material adverse effect on the Group's financial performance, financial position and liquidity.

#### *Asset performance risk*

Asset performance risk is the risk that the fair value or future cash flows of an asset or liability will fluctuate because of changes in market prices, other than those arising from interest rate or foreign currency risks.

For example, the Group is exposed to equity price risk arising from fluctuations in the market value of equity investments held to support contractual liabilities under investment and long-term insurance contracts. Declines in equity markets may reduce asset values and income and could adversely affect the Group's profits and capital position. Although equity price movements relating to certain linked insurance contracts are generally reflected in corresponding changes in contractual obligations, the Group remains exposed to equity price risk where policyholder guarantees or smoothing features apply, including in relation to Smoothed Managed Funds (which are a range of multi-asset, risk-rated funds intended to grow policyholder investments whilst protecting against unpredictability in the market, and which undergo a 'smoothing' process which shelters policyholder returns from the impact of sudden market shocks) and legacy with-profits policies. Adverse equity market movements could increase liabilities or reduce income and have a material adverse effect on the Group.

In addition, the Group is exposed to property price risk through its equity release and commercial mortgage products, where sustained declines in residential or commercial property prices could result in the value of property collateral being insufficient to cover outstanding mortgage balances at redemption. Such outcomes could lead to losses and adversely affect the Group's financial position. The Group is also exposed to property price risk through property investments held to

support contractual liabilities under investment and long-term insurance contracts. Adverse movements in property values may reduce asset values or income and, where guarantees or participating features apply, could increase liabilities and adversely affect the Group's results.

The Group is also exposed to credit spread risk arising from changes in corporate bond credit spreads. A widening of credit spreads above risk-free yields generally reduces the market value of corporate bond assets and may adversely affect asset values, capital and solvency. Although changes in credit spreads may partially offset movements in the value of certain insurance liabilities, adverse credit market conditions, including rapid or sustained spread widening, could result in net losses and have a material adverse effect on the Group's financial performance and financial position.

#### *Interest rate risk*

Although financial market risks relating to assets held to cover unit-linked and certain with-profits liabilities are largely borne by policyholders, the Group remains exposed to the risk of interest rate risk arising from fluctuations in the value of assets and liabilities resulting from changes in underlying interest rates. Interest rate risk arises primarily from the Group's investments in long-term debt and fixed income securities and their relationship to the valuation of insurance liabilities. Certain products sold by the Group include features such as guaranteed surrender values, guaranteed annuity options and minimum surrender or maturity values. Changes in interest rates may increase the present value of claims under such products relative to the value of the backing assets, resulting in higher liabilities and potential losses.

#### *Investment concentration*

The Group is exposed to investment concentration risk arising from exposure to particular asset classes, geographical markets, industry sectors or groups of business undertakings. Losses may arise where investments are overly concentrated in sectors or activities that are similarly affected by adverse economic, political or market conditions, which could impair the ability of counterparties or issuers to meet their contractual obligations. Substantially all of the Group's trading activities are UK-based, and the associated insurance and investment contract liabilities are primarily linked to the UK market. As a result, the Group has a high concentration of matching investment assets exposed to UK-specific economic, financial and political conditions. Any adverse developments affecting the UK market could have a material adverse effect on the Group's investment portfolio, financial performance and financial position.

#### *Foreign currency risk*

The Group predominantly operates within the UK and therefore has limited exposure to foreign currency risk arising from its core trading activities. However, the Group is exposed to currency risk as a result of investments in overseas markets, including investments in both equity and fixed income securities denominated in currencies other than sterling, principally the euro and the U.S. dollar. Adverse movements in foreign exchange rates may reduce the sterling value of overseas investments or investment income and could increase volatility in the Group's financial results. Any material depreciation of foreign currencies against sterling could have a material adverse effect on the Group's financial performance, financial position and capital.

#### *Liquidity risk*

There is a risk that the Group (and in particular, the Guarantor), although solvent, does not have sufficient financial resources available to meet its obligations as they fall due or is able to secure such resources only at excessive cost.

The Group is exposed to liquidity risk primarily through its insurance and investment contracts and the timing of policyholder commitments. Liquidity demands may increase as a result of higher-than-expected claims, including death or sickness claims, or mass policy surrenders or lapses. In addition, the use of derivative instruments exposes the Group to potential liquidity risk arising from the requirement to post collateral under certain market conditions. Any inability to meet liquidity demands when they arise could have a material adverse effect on the Group's financial position, results and ability to meet its obligations.

### **3. Third-party and other counterparty risks**

***The Group is exposed to credit counterparty risk in relation to its business activities associated with insurance, investment and retirement products and associated reinsurance assets and portfolio assets***

Credit counterparty risk is the risk of loss if another party defaults on its obligations or fails to perform them in a timely fashion, and may arise in connection with a single transaction or an aggregation of transactions with a single counterparty. The Group is primarily exposed to credit counterparty risks from the assets held in its investment portfolio; if an investment counterparty encounters financial difficulties and the fair value of the asset diminishes and the income stream is not paid, or the counterparty becomes insolvent and the value of the asset is written off, then the Group would become exposed to increased liabilities. In addition, the Group is exposed to counterparty risk arising from the potential failure of borrowers to meet their contractual obligations, in particular in relation to residential (equity release) mortgage loans and commercial mortgage loans held in its investment portfolio. Any adverse economic conditions, including sustained increases in interest rates or declines in residential or commercial property values, may increase the risk of borrower default or reduce recoveries on enforcement of security. In such circumstances, the value of property collateral may be insufficient to cover outstanding loan balances, which could result in losses and have a material adverse effect on the Group's financial performance and financial position. Similarly, the Group is exposed to credit counterparty risk arising from insurance sales, including the risk that policyholders or intermediaries fail to pay premiums when due or fail to repay unearned indemnity commission paid at the outset of insurance contracts. Non-payment or delayed payment of premiums, or the inability to recover unearned commission from intermediaries, could result in losses, increased expenses or reduced cash flows. Any deterioration in the credit quality of policyholders or intermediaries, or increased concentrations of exposure to particular counterparties, could have a material adverse effect on the Group's financial performance and financial position.

The Group also enters into reinsurance agreements in order to transfer an element of potential insurance risk exposure from contract liabilities. However, the Group retains primary liability as the direct insurer on all risks reinsured. Consequently, reinsurance arrangements do not eliminate the Group's obligation to pay claims, although under reinsurance agreements the Group is entitled to recover reinsured amounts paid from the reinsurer. As a consequence, the members of the Group entering into reinsurance agreements are subject to the credit risk of the reinsurer with respect to their ability to recover amounts due from them. Even where the reinsurer has an obligation to provide collateral in support of its operations, there can be no certainty that such collateral will satisfy the full amount of the reinsurer's liability or adequately mitigate the Group's

counterparty risk in relation to that reinsurer and, as a result, those members of the Group entering into reinsurance agreements could be left with a shortfall to the extent that the amounts paid by the members of the Group on claims made are not recovered from the reinsurer and/or required to hold additional capital in respect of counterparty risk. This could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group is exposed to counterparty risk in relation to other entities***

In addition to the matters described in the risk factor above entitled "*The Group is exposed to credit counterparty risk in relation to its business activities associated with insurance, investment and retirement products and associated reinsurance assets and portfolio assets*", the Group is also exposed to counterparty default risk in relation to third parties including, amongst other things, derivative counterparties, investment managers, brokers, distribution partners and other supplier contracts, as well as financial institutions holding its cash and collateral deposits. The Group's business could be adversely impacted if any of the Group's counterparties fail to honour their obligations. The potential consequences resulting from counterparties' failure to honour obligations and payments could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

**4. Risks associated with the Group's operations, strategy and choice of markets**

***The Group operates in highly competitive environments and continued profitability depends on management's ability to respond to these pressures***

The market for insurance products has become increasingly competitive and there are many factors which affect the Group's ability to sell products ahead of its competitors. These include price, financial strength, credit ratings, range and coverage of products, changing customer expectations and requirements, product and service quality, brand strength and brand recognition. The Group faces, or may face, significant competition from competitors that are larger, have greater financial resources or a greater market share, offer a broader range of products or have higher claims-paying ratios. In particular, competition could intensify across all of the Group's business lines in response to consumer demand, technological advances, regulatory actions and other factors, with a particular increase in competition in pricing. The ability to generate an appropriate return depends significantly upon the Group's capacity to anticipate and respond appropriately to these competitive pressures.

Any failure by the Group to offer competitive products in terms of price, perceived value or any greater success or perceived success of the Group's competitors in competing effectively could adversely affect the Group's competitive position and could result in a loss of revenue, reduced sale volumes and an adverse effect on the Group's results of operations.

***Changes in lifestyle, medicine, retirement appetite or technology could reduce demand for the products of the Group***

The Group is exposed to changes in the behaviour of its customers and the markets in which it sells its insurance products. For example, changes in lifestyle (including attitudes towards investing for the future), approaches to retirement (including interest in pension propositions) or medicine (including the approach towards critical illness income protection and similar products designed to protect livelihoods and incomes) could significantly alter customers' and potential customers' actual or perceived need for the insurance products currently offered by the Group.

Changes in technology could also give rise to new types of entrants into the insurance and/or insurance sales sectors, or the development of new distribution channels requiring further adaptation of the Group's business and operations.

Such changes could result in reduced demand for Group's products and/or require the Group to expend significant energy, resources and capital to change its product offering, build new risk and pricing models, modify and renew its operating and IT systems and/or retrain or hire new people. Such changes could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

***The introduction of various forms of artificial intelligence ("AI") systems and processing may expose the Group to new risks in its own operations or those with whom the Group operates***

There has recently been rapid advancement in AI technologies such as generative AI, which has increased the risk of cyber threats including more sophisticated phishing attacks and identity theft via deep fakes. Other AI technologies and quantum computing are being developed at pace and scale. Near term risks include AI-enhanced malicious attacks on the Group's systems, staff, data and intellectual property. There is a risk that the Group fails to manage its use of AI appropriately, exposing it to reputational risks from use of models generating inappropriate or unacceptable outcomes for customers. Longer term, there is a risk that AI and quantum computing will transform the industry in which the Group operates, or the industries of the companies in which the Group invests and such transformation could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The regulatory regime, particularly in relation to AI, is currently unclear and subject to change. As the regulatory environment around AI develops, the Group will need to be agile and may be required to make adaptations to its business practices, which could involve the diversion of resources and capital. Failure to do this could have regulatory consequences for the Group, including financial sanctions or reputational damage as AI becomes more embedded in business practice and customer expectations.

## **5. Legal, geopolitical and regulatory risks**

***Legal proceedings could cause the Group to incur significant expenses, which could have an adverse effect on the Group***

The Group operates in a highly regulated sector where its activities have a direct and meaningful impact on people's livelihoods. The Group is not currently, but may from time to time be, subject to legal proceedings and disputes which are sufficiently significant to have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Legal proceedings and disputes may arise from time to time from legal agreements, non-contractual rights and obligations to which the Group is subject, the applicable laws and regulations under which the Group operates in various jurisdictions or from a course of conduct taken by the Group and there may be class actions. Given the large or indeterminate amounts of damages sometimes sought, and the inherent unpredictable outcome of litigation, sanctions and disputes, it is possible that an adverse outcome in legal proceedings or disputes, or a series of legal proceedings or disputes, could have a material adverse effect on the Group's business, reputation, ability to offer certain products, customer numbers, results of operations, cashflows and/or financial condition, and could divert management attention.

***Individual and groups of customers may refer their disputes with the Group to the Financial Ombudsman Service***

Disputes relating to the sale of financial services products by the Group in the UK are subject to the Financial Ombudsman Service (“FOS”) regime. The FOS exists to resolve disputes involving individual or small business policyholder disputes. Applicants may pursue customary legal remedies if decisions are considered unacceptable.

There is a risk that decisions taken by the FOS may, if extended to a particular class or grouping of policyholders, have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

***The effect of conflicts, potential conflicts and changing geopolitical relationships throughout the world may have short and longer-term political and economic impacts that may have an adverse impact on the Group’s business***

As at the date of these Admission Particulars, the conflict between Russia and Ukraine as well as ongoing hostilities in the Middle East remain unresolved, including between Israel and Hamas and hostilities between Israel, the U.S. and Iran. Hostilities between various countries including those with the U.S. and China, and the consequences of U.S. involvement in Venezuela, are developing. World governments have also imposed significant economic and political sanctions on Russia and Belarus. These conflicts have and are expected to continue to have long-term impacts on the global geopolitical structure, some of which are yet to emerge and cannot be fully predicted. The anticipated short-term effects include changes to energy supply for Europe with less reliance on Russian gas, impacts on import tariffs (including retaliatory tariffs), and other trade restrictions and sanctions which may in turn contribute to increased volatility in the financial markets and impact supply chains. In addition, continued blockages in the Strait of Hormuz driven by the U.S.-Israel conflict in Iran could have a further impact on oil and liquified natural gas supply, resulting in further increases in global fuel and energy prices, which may in turn lead to sustained higher inflation, increased interest rates and wider supply constraints and shortages. These factors could impact the Group’s business and results of operations. Over the longer term, sanctions and other geopolitical forces may have unforeseen implications for certain of the Group’s portfolio investments.

As at the date of these Admission Particulars, the Group has no direct exposure to Russia, Ukraine, Iran or Israel, however, it is exposed to second order impacts from these conflicts and their associated measures and there can be no assurance that the Group’s exposure level will not change in the future. For example, the conflicts (in particular between Russia and Ukraine and the US., Israel and Iran) have contributed and may continue to contribute to the rise in the prices of energy, foodstuffs, commodities and other inputs and thereby increased inflation. In any event, the impact of the wars and sanctions on global markets, macroeconomic conditions globally, and other potential future geopolitical tensions and consequences remain uncertain and the Group’s business, results of operations and financial position could be adversely affected by any of the abovementioned factors directly or indirectly arising from the Russia-Ukraine, U.S./Israel-Iran and/or Israel-Hamas conflicts.

***The Group operates in a highly regulated sector, and its operations and practices may be affected by changes in law and regulation, changes in interpretation or emphasis with respect to existing law and regulation and/or industry wide changes in approach to law***

***and regulation and/or potential interventions by the FCA, the PRA and other relevant regulators***

As a financial services business, the Group operates in a highly regulated sector. The sector has in recent years experienced an increase in regulatory activity, higher levels of regulatory supervision and significant change to legal and regulatory frameworks. Changes in relevant legislation and regulation are continually being introduced, which may have a considerable effect on the Group's strategy and day-to-day operations which could, in turn, have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The regulation of sectors in which the Group invests may also change. Any such changes in government policy, to legislation and regulation or to the interpretation of, or approach to, enforcement of legislation and regulation by a relevant regulator (at a national and/or international level) applicable to companies operating in the pensions or financial services sectors in any of the markets in which the Group operates may occur in the future and could be applied retrospectively.

In particular, in order to conduct their regulated activities in the UK, regulated entities within the Group must hold and maintain licences, permissions and/or authorisations from the UK Prudential Regulation Authority (the "PRA") and/or the UK Financial Conduct Authority (the "FCA"). The PRA and the FCA each have significant statutory powers in respect of the regulation of the regulated entities in the Group. In the course of regulating such entities, the PRA and the FCA may use these statutory powers to make regulatory interventions, including through investigations, requests for data and analysis, interviews or reviews and requiring the production of skilled persons reports under section 166 of the Financial Services and Markets Act 2000, as amended.

In recent years, issues associated with poor conduct have been a significant source of cost and reputational damage to the financial services industry which has attracted increased scrutiny from regulators. For example, in July 2023 the FCA introduced the "Consumer Duty" in the UK. Broadly, the regime sets higher expectations for firms by introducing new requirements on the standard of care firms provide to their retail consumers. The Consumer Duty introduced (i) a new 'Consumer Principle' that requires regulated firms to deliver good outcomes for retail clients, (ii) cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm, and enable and support clients to pursue their financial objectives; and (iii) requirements that firms ensure consumers receive communications they can understand, products and services that meet their needs and offer fair value and are of sufficient quality, and the support they need. The Consumer Duty impacts all areas of the Group's UK regulated business. The Group may face increased ongoing costs due to the need to implement additional compliance controls and/or through ongoing compliance costs associated with the interpretation and guidance issued in relation to the Consumer Duty.

The PRA and the FCA also carry out sector-wide reviews known as 'thematic reviews', or other informal sector-wide inquiries in respect of a particular issue or a particular type of product. Regulatory intervention, including of the sort described above (including 'thematic reviews'), may lead to the FCA and/or the PRA requiring (among other things):

- specific remediation in respect of historic practices (which could include compensating customers, fines or other financial penalties);
- changes to the Group's practice;

- public censure;
- payment of a financial penalty;
- the Group to hold additional regulatory capital (through a 'capital add-on'); and/or
- the loss or restriction of regulatory permissions necessary to carry on the Group's business in the same manner as before.

Regulatory interventions against a member of the Group or a determination that the Group has failed to comply with applicable law or regulation could give rise to any of the matters described. In some cases, the applicable law and regulation is open to a variety of possible interpretations, which can lead to uncertainty about what is required. Whilst in many cases the PRA issues supervisory statements which set out its expectations on the relevant matters, there can be no assurance that the Group's actions will be compliant with regulation or expectations. Further, the Group may face increased compliance or compensation costs due to changes to financial services legislation or regulation or the need to set up additional compliance controls. If any such matters were to occur, they could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, or otherwise divert management's attention away from the day-to-day operation of the business, potentially affecting its ongoing or future performance.

In addition, the terms on which products are sold or contracts are entered into with customers by the Group must comply with various 'fairness' and 'reasonableness' requirements under wider UK law and guidance provided by regulatory and trade bodies (including, without limitation, the Unfair Contract Terms Act 1977 and the Consumer Rights Act 2015). These requirements apply to both express terms of a contract and to terms that have not been agreed by the parties but are implied into the contract by a court. The application and interpretation of these requirements involves an important element of judgement and there can be no assurance that governments or regulators will not determine at some point in the future that certain terms presently in use do not meet the relevant standards. Where products of the Group contain such terms, the effect could be to prevent reliance on those terms by the Group, including retrospectively in respect of existing products held by the Group's customers, which may adversely affect the Group's underlying profitability, its product range, distribution channels, investment strategy, capital requirements and, consequently, its results of operation and financial condition.

***The regulatory capital regime applying to the Group is extensive and subject to change, and a failure to comply with this regime could have a variety of negative regulatory and operational implications for the Group***

The Guarantor and the Group must comply with insurance prudential regulation in the UK (as amended from time to time). The UK legislation originally derived from the European Union ("EU") Solvency II regime that came into force in the UK in 2016. Following the UK's withdrawal from the EU, the UK has reformed its capital regime to move from Solvency II to a new UK prudential regime for insurers, known as 'Solvency UK'.

The Solvency UK regime is a prudential framework which is designed to ensure the financial stability of the insurance industry across the UK and is intended to protect policyholders through establishing solvency requirements better matched to the true risks of the business. Solvency UK includes a requirement for firms to maintain a minimum margin of regulatory capital in excess of

the value of their liabilities, in order to comply with a number of regulatory requirements relating to their solvency and reporting bases. The regulatory capital position can be adversely affected by a number of factors, in particular, factors that erode the Guarantor and/or the Group's regulatory capital resources and/or which affect the quantum of risk to which they are exposed. In addition, any event that erodes current profitability and/or is expected to reduce future profitability and/or make profitability more volatile could affect the Group's regulatory capital position, which in turn could have a material adverse effect on Group's business, results of operations, relationship with its regulators, financial condition and prospects.

There are four aspects of the Solvency UK regime in particular that have the potential to create risks for the Group, although there are other aspects of the regime that could also be applied in an adverse way depending on how circumstances develop over time. These four aspects are: (i) the Solvency Capital Requirement ("**SCR**") (which is the amount of capital required to cover a prescribed 1-in-200 year outcome in the year following the valuation, allowing for realistic management and policyholder actions, and the impact of the stress on the tax position of the Group where permitted or approved by the PRA), (ii) the risk margin (which represents an allowance for the cost of capital for a purchasing insurer taking on the portfolio and residual risks that are deemed not to be hedgeable under Solvency UK), (iii) the Matching Adjustment and Volatility Adjustment (which are applied to the valuation of qualifying annuity liabilities and other qualifying businesses) ("**MA**"), and (iv) the Transitional Measure on Technical Provisions deduction (transitional relief for the higher capital requirements of Solvency UK as compared with the previous regulatory capital regime) (the "**TMP deduction**"). The Group is not currently an internal model firm. However, should the Group apply in the future for permission to use an internal model to calculate the SCR of the Guarantor and/or the Group, the use of MA and the availability of TMP deduction are all matters which require PRA approval.

The risk margin is a component of an insurer's technical provisions that is calculated by reference to the present value of the future cost of capital associated with the in-force business. Under Solvency UK, this present value is required to be calculated using risk-free interest rates. This method of calculation makes the risk margin very sensitive to changes in interest rates, particularly where an insurer has a portfolio of business that is expected to remain in force for many decades. While this sensitivity was reduced as a result of the changes introduced by the Insurance and Reinsurance Undertakings (Prudential Requirements) (Risk Margin) Regulations 2023 (discussed further below), it remains material. This exposes insurers to risks of significant fluctuations in their technical provisions which are unrelated to the riskiness of the underlying business.

HM Treasury has fully implemented the results from its review of Solvency II (the "**HMT Solvency II Review**") to ensure that it properly reflects the unique structural features of the UK insurance sector. The changes included a reduction in the risk margin of around 60-70 per cent. for long-term life insurers, changes to the calibration of retained credit risk used to calculate the MA, an increase in flexibility to allow insurers to invest in long-term assets such as infrastructure; and a meaningful reduction in the current reporting and administrative burden on firms. As discussed further in section 14.1 of the HMT Solvency II Review, these changes were implemented through three statutory instruments, The Insurance and Reinsurance Undertakings (Prudential Requirements) (Risk Margin) Regulations 2023 (SI 2023/1346), The Insurance and Reinsurance Undertakings (Prudential Requirements) Regulations 2023 (SI 2023/1347) and The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (the latter of which came into force on 31 December 2024). These changes could impact the future capital position of the Group.

On 6 June 2024, the PRA published a new policy statement entitled 'PS10/24 – Review of Solvency II: Reform of the Matching Adjustment'. The policy statement is intended to improve the way that the MA supports investment and to maintain a high level of prudential standards for the insurance sector and protection of insurance policyholders. The policy statement introduced a number of changes to the MA rules. The majority of these changes came into effect from 30 June 2024 while further changes came into effect from December 2024. Future compliance with the policy statement could result in additional costs, require changes to the Group's current processes or affect the capital position of the Group. In each case, these could have a material adverse effect on the Group's capital position, business, results of operations, financial condition and prospects.

On 28 February 2024 (and subsequently updated on 15 November 2024), the PRA published its final rules in PS2/24 which introduced a new approach to the calculation of the TMTP transitional measures from 31 December 2024 for the remainder of the transitional period to 2032 and allows for their continuous recalculation with smooth run off. The new rules simplify the calculations of the transitional measures with a change in the calculation methodology only being contemplated through an insurance business transfer or a 100 per cent. reinsurance transaction.

It is possible that the interpretation or implementation of the rules, or the withdrawal of or failure to obtain any approvals from the PRA (for example, to use an internal model to calculate SCR, to apply MA in relation to certain types of assets or liabilities or due to the extent and nature of the use of reinsurance) may give rise to greater capital requirements than is currently the case or may require changes to the structures and/or businesses or result in price increases for products of the Group, which, in each case, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

Further, an increase in the regulatory capital and/or reserving requirements of an entity or a restriction on the use of capital within the Group may reduce the profits of the Group or trap cash or assets in certain companies within the Group. There are also circumstances where the Group may choose to move cash or assets from another part of the Group to meet an increased regulatory capital requirement. Consequently, a change in the regulatory capital and/or reserving requirements and, in particular, the loss of certain discretionary reductions in those requirements, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, if the Group is unable to meet applicable regulatory capital requirements in any of its regulated subsidiaries, it would have to take other measures to protect its capital and solvency position, such as increasing the prices of its products, reducing the volume of or types of business underwritten, increasing reinsurance coverage, altering its investment and/or hedging strategy or divesting parts of its business, any of which may be difficult or costly or result in a significant loss, particularly in cases where such measures are required to be undertaken quickly. If the Group is required to take any of these measures, such measures could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Since the introduction of the Solvency UK regime, the PRA has published and continues to publish consultations and supervisory statements that set out its expectations relating to elements of the Solvency UK regime. As a result of these consultations, a number of supervisory statements have been issued or updated. These include, amongst others, consultations and supervisory statements relating to illiquid assets, the MA and the TMTP deduction. For example, on 26 July

2024, the PRA published an update to SS5/24 on funded reinsurance, which clarified the PRA's expectations about how firms' internal models should capture all material and quantifiable risks in connection with exposure to reinsurers underfunded reinsurance arrangements and consider the structuring of funded reinsurance arrangements. From 27 October 2025, SS5/25 was updated alongside publication of PS17/25 on Matching Adjustment Investment Accelerator. This introduced amendments with respect to the PRA's expectations of firms using MAIA and Funded Reinsurance. There is a risk that the implementation of one or more of the PRA consultation papers or supervisory statements, or other changes to the regime arising from the review of Solvency II, may give rise to greater capital requirements in the future.

Following the PRA's publication of a speech by the Director for Prudential Policies at the PRA on 18 September 2025, the PRA has indicated that future volumes of funded reinsurance and associated consequences on market resilience may lead the PRA to take further action in this area. In particular, the PRA is considering imposing alternative regulatory treatment of the transfer of the asset-related risks. Any such steps could represent a material departure from the current treatment of funded reinsurance and may have significant capital implications for cedants utilising this as a form of reinsurance.

***Changes to accounting standards generally or specifically for insurance companies may have an adverse impact on the Group's business***

The Guarantor's consolidated financial statements for the financial years ended 31 December 2024 and 2025 have been prepared in accordance with UK GAAP. Future changes or modification of UK GAAP could impact the reporting of the Group's future results or a retrospective adjustment of reported results. This in turn could have a material impact on the Group's balance sheet and future and previously reported balance sheets. The use of different methodologies and assumptions could have a material adverse effect on the estimated fair value amounts of assets and liabilities, which could affect the Group's business, results, financial condition and prospects.

***Rules regarding the protection of with-profits policyholders generally and guidance relating to the fair treatment of with-profits policyholders by mutual insurance companies may adversely impact the operations of the Group***

The Guarantor is a UK mutual insurance company – it is owned by its members and operates under a mutual model (for further detail, see the “*Business Description*” section of these Admission Particulars). A significant amount of the Group's legacy business includes 'with-profits' policies, which is an investment type which pools member investments with other investors' money; the policy is then invested in a mix of assets. Any required changes to the practices, procedures and management of the Group's with-profits funds (whether as a result of changes in regulatory requirements, judicial interpretation or industry best practice) may increase the compliance and governance costs of the Group in the future, reduce the profits of the Group which are derived from with-profits policies and may affect the future strategy and operations of the Group. This, in turn, may have a negative impact on the financial condition and overall results of the Group.

***Principles and Practices of Financial Management (“PPFM”) lead to operational complexity and associated restrictions on assets within the Group***

In relation to the Group's with-profits policies (including the 'main with-profits fund'), the basis on which the business of the Group is run is governed by the terms of the Group's PPFMs. As a

result of the Group's historical acquisitions and business transfers, the Group currently has three versions of its PPFM governing the various with-profits funds of the Group: (i) a PPFM for with-profits policies which applies to a range of with-profits products, (ii) the Royal National Pension Fund for Nurses ("RNPFN") PPFM (for members who had taken out a with-profits policy underwritten by RNPFN before it was acquired by Liverpool Victoria Life Company Limited), and (iii) the Teachers Assurance PPFM (for members who had taken out with-profits policies through Teachers Assurance before it was acquired by the Group). The fact that multiple sets of PPFMs are in place in respect of the Group's with-profit policies, each of which may contain bespoke terms, leads to operational complexity in the operation of the Group's with-profits business. Bespoke terms contained within these sets of PPFMs will need to be taken into account in the event that the Group needs to take management actions to protect the financial position of the relevant with-profits fund and such management actions will need to be consistent with them. Ultimately, if management actions are restricted this could result in the need for significant capital support from other sources within the Group to be made available, which could adversely affect the operations, financial results and/or financial condition of the Group.

***Regulatory focus on climate risk could have an impact on the Group's business and assets in its investment portfolios***

Governments and regulators are increasingly seeking to develop laws, rules and regulations that are directly and indirectly focused on carbon emissions, sustainable finance and climate change risks. The PRA published a report on 13 March 2023 on climate-related risks and regulatory capital frameworks applying to banks and insurers, bringing together findings from the Climate and Capital conference in October 2022 and other research. The report stated, amongst other things, the PRA's intention to continue supervising firms against the requirements in SS3/19, which first set out the PRA's expectations regarding insurers' and banks' approaches to managing financial risks from climate change, including the expectation that firms respond to risks via appropriate governance, risk management, scenario analysis and transparency-enhancing disclosures. The PRA's report also addressed the PRA's need to undertake future work in assessing the existence of relevant regime gaps in the macroprudential framework. See also "*The regulatory capital regime applying to the Group is extensive and subject to change, and a failure to comply with this regime could have a variety of negative regulatory and operational implications for the Group*".

Such regulatory focus on the issue of sustainable finance may accelerate actions of market participants, which may in turn have an impact on the availability and attractiveness of certain securities. If climate considerations are not effectively integrated into the Group's operation, underwriting and investment decisions, or its fiduciary and stewardship duties, this could adversely impact the value and future performance of its investment assets as well as the risk of incurring actual losses on its investment assets.

***Failure to satisfy any sustainability reporting requirements could have an adverse effect on the Group's level of business growth and competitiveness***

The Group is responsible for monitoring and implementing changes to existing sustainability reporting requirements, future and emerging legislation and tracking shifts in voluntary reporting trends and market expectations. The Group has implemented reporting against the Taskforce on Climate-related Financial Disclosures (known as the TCFD) recommendations, which is overseen by its audit committee. Failure to adequately report on risks associated with climate change on a timely basis may have a material impact on the Group's level of business growth,

competitiveness, profitability, capital requirements, cost of funding and financial condition. New reporting requirements may also result in significant and fast-changing developments in stakeholder expectations in relation to the Group's sustainability strategy, whilst further evolutions in policy, regulation, governance and law may impact the activities the Group undertakes. The Group's sustainability strategy currently focusses on three core pillars which it believes are essential foundations in helping its members and customers for many years to come. These pillars include: (i) safeguarding the environment to create a liveable society and economy for the long-term, (ii) being a sustainable mutual society which has a positive and lasting impact in local communities, and (iii) being a trusted and thoughtful provider that is member-focussed and provides attractive and sustainable member returns through product, service and investments. The Group could face reputational risk in failing to meet the requisite recommendations, or failing to keep pace with changing societal, investor or regulatory demands as regards sustainability measures and reporting generally. Successful reporting is also dependent on a number of factors outside of the Group's control, including availability of data to measure and assess the climate impact on the Group's customers, advancement of low-carbon transition technologies and public policies to support the energy transition in the global markets in which the Group operates. This could ultimately have an adverse impact on the Group's ability to attract and retain customers and have a negative effect on the Group's results of operations.

***Changes in taxation law may have a material adverse effect on the Group***

Changes in corporate and other tax rules in the UK (or in any other jurisdictions to which the Group is exposed through its customers, members or products) could have both a prospective and retrospective impact on the Group's business, results of operations, financial condition and prospects. Tax disputes with tax authorities, failure to comply with procedures required by tax authorities, any change in the tax status of any member of the Group, changes to existing tax laws or their interpretation, or amendments to existing tax rates (corporate or personal), or the introduction of new tax legislation may materially adversely affect the Group's business, results of operations, financial condition and prospects, either directly or indirectly, for example by effecting changes in the insurance purchasing decisions of customers and/or reducing the profitability of the Group. Increased tax charges (including interest and financial penalties) could arise from failure to comply with tax laws. Changes to legislation that specifically governs the taxation of insurance companies might adversely affect the Group's business.

There are also specific rules governing the taxation of policyholders. The Group cannot accurately predict the occurrence of future changes in tax law or the impact of any future changes in tax law of the taxation of insurance policies in the hands of policyholders. Amendments to existing legislation (particularly if there is a withdrawal of any tax relief or an increase in tax rates) or the introduction of new legislation, rules or regulations may impact the decisions of policyholders and could have a material adverse effect on the Group's business, results of operations, financial conditions and prospects.

While changes in taxation laws may affect the insurance sector as a whole, changes may be particularly detrimental to certain operators or certain products in the industry. The impact on the Group would depend on business undertaken and other relevant circumstances at the time of such change.

***The Group's business model and regulatory requirements evolve as the business develops***

The Group's business model is driven by market opportunities and demand for its products and services and, in executing that model, the Group is required to engage with various counterparties, source suitable backing assets that comply with matching adjustment requirements, and obtain and maintain appropriate regulatory permissions and approvals. The Group is subject to the risk that processes undertaken by the PRA, including in approving the method by which the Group calculates its SCR, could result in a temporary or permanent increase in the Group's SCR and/or a temporary or permanent reduction in the Group's SCR coverage ratio as the Group conducts its day-to-day business. In particular, certain assets may not be fully reflected in the Group's SCR on an economic or risk-neutral basis, including where such assets are not eligible, or are only partially eligible, to be recognised for specific prudential treatment (including inclusion within matching adjustment portfolios) or where conservative assumptions, capital charges or supervisory constraints apply. In addition, such assets may attract higher capital requirements, be subject to model restrictions, or be excluded from certain stress calculations, depending on their structure, documentation, cash-flow characteristics, valuation, credit quality or regulatory classification. Consequently, changes in prevailing regulatory requirements, evolving supervisory expectations, the composition of the Group's asset portfolio or the model on which the Group is required or expected to calculate its SCR may limit the Group's ability to manage its capital efficiently. Any such limitation could adversely affect the Group's capital position, business, results of operations, financial condition and prospects.

## **6. Internal operations and management risks**

### ***The Group's operations support complex transactions and are highly dependent on the proper functioning of IT and communication systems, and IT sustainability***

The Group relies on its operational processes and IT systems to conduct its business, including the pricing and sale of its products, processing claims, assessing acceptable levels of risk exposure, setting required levels of provisions and capital and maintaining customer service and accurate records. The Group also operates with a number of legacy IT systems and infrastructure which can be exposed to capacity, capability or control issues, including, for example, system downtime. These processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorised access, power failures, natural hazards or disasters, blackouts, computer viruses, terrorist attacks or war or similarly disruptive events. Any failure of the Group's IT and communications systems and/or third-party infrastructure on which the Group relies could lead to costs and disruptions that could materially adversely affect the Group's business, results of operations, financial condition and prospects as well as harm the Group's reputation and/or attract increased regulatory scrutiny.

If the Group were to introduce new consumer products beyond its current offering, it may be required to develop new operational processes and information systems or to ensure current systems are adequate to support these products. Development of new systems or the expansion of current systems may require capability and resources beyond those the Group currently possesses. Failure to support new products with necessary capabilities or resources could lead to costs or the failure of new product offerings.

The occurrence of a serious disaster resulting in interruptions, delays, the loss or corruption of data, or the cessation of the availability of systems, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group may be unable to maintain the availability of its systems and safeguard the security of its data, including customer and employee data, due to accidental loss, cyber-crime, the occurrence of disasters or other unanticipated events affecting the Group or its service providers***

The Group collects and processes personal data from its customers, business contacts and employees as part of the operation of its business, and therefore it must comply with data protection and privacy laws and industry standards in the UK and the countries of residence of the Group's policyholders. Those laws and standards impose certain requirements on the Group in respect of the collection, use, processing and storage of such personal information. This includes compliance with the General Data Protection Regulation (EU 2016/679) which came into force on 25 May 2018 (the "GDPR") and which was transposed into the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "UK GDPR") and introduced substantial changes to the EU and UK data protection regimes. The GDPR and UK GDPR place a large compliance burden on companies which retain customer data and may impair the ability to use data.

There is a risk that data collected by the Group and its third-party service providers is not processed in accordance with notifications made to, or obligations imposed by, data subjects, regulators, or other counterparties or applicable law. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs as well as result in potential inaccurate rating of risks or overpayment of claims. In particular, fines under the GDPR and UK GDPR are based on a two-tier system and fines up to a maximum of the greater of €10 million or 2 per cent. of annual global turnover, or, for more severe infringements, a maximum of the greater of €20 million or 4 per cent. of annual global turnover, may be imposed.

Business organisations, such as the Group, are increasingly becoming targets for cyber-crime, particularly if those organisations retain personal information about many people. The Group is exposed to the risk that the personal data it controls could be wrongfully accessed, copied, used, altered and/or destroyed whether by employees or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulations. If the Group or any of the third-party service providers on which it relies fails to process, store or protect such personal data in a secure manner or if any such theft or loss of personal data were otherwise to occur, the Group could face liability under data protection laws. Increasingly sophisticated and more frequent cyber-attacks, including through the use of AI tools means that the Group must ensure that the procedures and data protection in place internally and in place via third party vendors are appropriate. This could also result in damage to the Group's brand and reputation, the loss of new or repeat business and/or the Group incurring a large fine, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The Group must also ensure that its approach to cyber security is continually updated to address the threats represented by generative AI and counter any additional risks associated with these technologies.

As the Group expands its digital footprint and increases partnerships with external organisations, notably with the transition of systems to cloud-based services, there is a risk that the Group's technologies, staff and processes are not sufficiently robust to ensure that the Group's cyber security measures counter threats effectively. This could lead to systems availability being reduced or eliminated at periods which are critical to the viability of the Group. Ransomware attacks targeted at specific finance systems are becoming more frequent and to regain access to systems the Group could come under pressure to either pay a ransom (which creates a risk of

breaches of applicable law including, potentially, money laundering and terrorist financing regulations) or to lose significant amounts of data that the Group relies on to operate its business.

***The Group's risk management policies and procedures may not be effective and may leave the Group exposed to unidentified or unexpected risks***

The Group's policies, procedures and practices used to identify, measure, monitor and manage a variety of risks may fail to be effective. As a result, the Group faces the risk of losses, including losses resulting from human error, the payment of incorrect amounts to policyholders due to incorrect administration, market movements and fraud. The Group operates an integrated risk management framework ("LV=RMF") which combines the key processes and activities it undertakes to ensure its members' and customers' security is at the forefront of its decision-making, though there can be no assurance that the Group's risk management practices will be effective. Some of the Group's methods of managing risk are based on management decisions and risk appetite, and also involve reliance on industry standard practices. Whilst the Group is continually updating its risk management policies and procedures to manage new risks which emerge (for example, conducting an annual risk maturity and culture assessment to assess the ongoing effectiveness of embedding the LV=RMF and to test the evolution of risk culture over time), these methods may not adequately prevent future losses.

Ineffective risk management policies and procedures could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group is exposed to the risk of financial crime (including bribery, money laundering and corruption)***

The Group is exposed to the risk of internal and external fraud from a variety of sources such as employees, suppliers, intermediaries, customers and other third parties. This includes both policy (i.e. application-related) fraud and claims fraud. Although the Group has a financial crime policy in place to effectively prevent financial crime, which also embeds a framework for mitigating crime arising from bribery or corruption, fraud, money-laundering, terrorism proliferation financing, facilitation of tax evasion and financial and market abuse, the Group is at risk from customers, financial intermediaries or other distribution partners or employees who misrepresent or fail to provide full disclosure of the risks or over-disclose medical or lifestyle risk factors before policies are purchased and from a range of other fraud-related exposures, such as the fraudulent use of Group-related confidential information. These risks are potentially higher in periods of widespread financial stress.

Additionally, the Group is exposed to risk from employees and staff members who fail to follow, or who circumvent, procedures designed to prevent fraudulent activities.

The occurrence or persistence of fraud in any aspect of the Group's business could damage its reputation and brands as well as its financial standing and could have a material adverse effect on its business, results of operations, financial condition and prospects.

***The Group is exposed to operational risk in the course of its business, and it relies on its employees, operational processes and IT systems to conduct its business in line with its values, governance standards, policies and procedures***

The Group's business is highly dependent on the skills, experience, judgement and productivity of its employees. The quality of the Group's products and services, as well as its ability to operate efficiently and achieve its strategic objectives, depends on attracting, developing and retaining suitably qualified personnel. Increased competition for talent, higher staff turnover, or the loss of key individuals or critical skills could adversely affect the Group's operational performance and increase costs.

The Group is also exposed to the risk that decisions and behaviours of its directors or employees do not support the integrity of financial markets, leading to unfair treatment of customers or members, or to adverse member or customer outcomes.

The Group might also be exposed to conduct risk by the conduct or misconduct of employees, over which the Group only has limited control by way of employee policies and procedures. Conduct risk is an area of close regulatory scrutiny and a failure by the Group (or its directors or employees) to protect the interests of customers or clients could lead to legal proceedings or enforcement action by regulators. This could in turn lead to financial penalties, reputational damage and/or suspension or revocation of regulatory permissions, licenses or approvals, which could in turn have a material adverse effect on the Group's business and prospects. Action by regulators against staff designated as senior managers may impact their ability to operate effectively or remain within the Group. This may cause disruption to the Issuer's ability to manage its business effectively until a suitable replacement can be appointed.

***If the Group experiences difficulties arising from outsourcing relationships, its ability to conduct business may be compromised***

The Group outsources some of its activities to third party providers, including investment administration and payroll processing. The Group only enters into outsourcing relationships with firms which the Issuer believes have the resources and expertise that meet the Group's required standards. Whilst the Group's outsourcing relationships are carefully monitored, underperformance may result in breaches of applicable law and regulation, which could result in regulatory intervention. There is also a risk that certain providers will be unable to keep pace with legal, technological and/or regulatory changes, in which case the Group's operations may become non-compliant as a result of its outsourced activities.

If the Group does not effectively develop, implement and monitor its outsourcing strategy, or outsourcing relationships do not perform as anticipated, the Group may experience poor investment returns, operational difficulties, increased costs, reputational damage and a loss of business that may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, the failure or insolvency of, or inability to provide the relevant services by, one or more of the Group's third party service providers could have a material adverse effect on the Group's ability to sustain its ongoing operations, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group could be materially adversely affected by the loss of key employees, or by an inability to attract and retain, or obtain FCA or PRA approval for, qualified personnel***

Any loss of services of key employees could adversely affect the Group. For example, any unanticipated or sudden loss of key personnel could require the Group to temporarily fill certain key roles with interim employees while recruitment of permanent staff is conducted. The Group's

continued success also depends on its ability to attract, motivate and retain highly competent specialists, particularly those with financial, IT, underwriting, actuarial and other specialist skills.

The Group competes with other financial services groups for skilled personnel, primarily based on its reputation, culture, financial position, location, remuneration policies and support services. If the Group fails to compete effectively in the labour market, it could incur significant costs in the recruitment and retention of appropriately qualified individuals. Failure to attract and retain key employees could have a material effect on the Group's competitive position which could, in turn, affect the business, financial conditions, results and operations and prospects of the Group.

In addition to regulating the activities of the Group, the FCA and the PRA also regulate the individual managers performing certain significant roles. The Group's inability to attract and retain, or obtain FCA or PRA approval for, directors and highly skilled personnel, and to retain, motivate and train its staff effectively, could adversely affect its competitive position, which could in turn result in a material adverse effect on its business, results of operations, financial condition and prospects.

## **7. External environment risks**

### ***Catastrophes, wars, pandemics and weather-related events may cause upheavals in the global financial markets and adversely affect the Group's business, customer outcomes, results of operations and financial position***

Like other insurance companies, the Group's business is inherently subject to, and affected by, fluctuations in general macroeconomic and global financial market conditions. Global financial markets are subject to uncertainty and volatility created by a variety of factors including (but not limited to) catastrophes, wars, pandemics and weather-related events including, for example, invasion by foreign forces or civil war, natural disasters, man-made or climate disasters, or the emergence or re-emergence of viral diseases and associated public health measures and restrictions. Upheavals in the financial markets may adversely affect the demand for insurance products and the price and availability of reinsurance. If uncertainty or negative trends in international economic and investment climates are sustained, it is likely to have a negative impact on the insurance sector over time and therefore may have an adverse impact on the Group's business, supplier costs, investment valuations, results of operations and financial position.

Furthermore, pandemics, natural disasters or terrorism could disrupt the Group's operations and result in significant loss of property, key personnel and information about its clients and its business if its business continuity plans fail to cope with the scale or nature of the catastrophe. Such events could adversely affect the Group's business, results of operations, corporate reputation and financial condition for a substantial period of time.

Climate change is also key area of focus for the Group. The Group has identified several risks relating to climate change and the wider sustainability agenda, which are embedded within its risk management framework (LV=RMF) in order to enable the Group to assess such risks in line with its business strategy. In the short term, it is not expected that climate change will materially impact the Group's property assets or investment and insurance risk. However, the Group may be affected by the risks resulting from the transition to a lower carbon economy which may negatively impact the ability of customers to afford its products and could result in lower Group revenues overall. Furthermore, climate change could drive increases in operational costs which would

adversely affect the Group's performance. In addition, legislators and regulators continue to develop their approaches to and expectations surrounding the management of climate risk by insurers. For example, in the UK, the Group's regulator (the PRA) recently issued a consultation paper (CP10/25 – Enhancing banks' and insurers' approaches to managing climate-related risks) updating its supervisory statement (SS3/19 – Enhancing banks' and insurers' approaches to managing climate-related risks) to further enhance how firms improve their approach to managing financial risks from climate change, including the expectation that firms respond to risks via appropriate governance, risk management, scenario analysis and transparency-enhancing disclosures. In December 2025, the PRA published PS25/25 on managing climate-related risks and also issued a supervisory statement (SS5/25 - Enhancing banks' and insurers' approaches to managing climate-change related risks) which provided an updated view of the PRA's expectations for management of climate risks. The PRA have noted that the final policy is designed to be implemented proportionately by firms to tailor actions to integrate risk management solutions reflective of the materiality of a firm's climate-related financial exposure and firms have until 3 June 2026 to carry out an internal review of their current status in meeting updated expectations set out in the supervisory statement. The Group continues to monitor such risks, adapting its approach accordingly to ensure ongoing compliance.

***Failure of a sufficiently large and important institution or other major counterparties may materially disrupt the markets and could adversely affect the Group***

In April 2023, the Group agreed to transition most of its assets under management to BlackRock to serve as its primary asset manager, with the transition completing in April 2024. The Group therefore has a series of investment management agreements with BlackRock, which specify the limits for holdings in certain asset categories and currencies, and asset allocation and performance benchmarks to ensure each fund has an appropriate mix of assets and is not over- or under-exposed to a particular asset category, currency or specific investment relative to its risk appetite. Whilst the Group's investment team monitors asset allocation and performance (with the oversight of its Asset and Liability Committee and Investment Committee), BlackRock is ultimately responsible for carrying out day-to-day investment activities. Any misjudgement in investing by BlackRock or failure of BlackRock on an organisational level, could result in the Group being unable to operate its investments business, which could have a material adverse impact on the Group's financial condition, results of operations and prospects.

More generally, in the global financial system, financial institutions, including insurers, are interdependent. The interdependence of financial institutions means that the failure of a sufficiently large and influential financial institution or other major counterparty, for whatever reason, could materially disrupt markets. This risk, known as 'systemic risk', could adversely affect the Group in several ways, some of which may be unpredictable, including increased default or counterparty risk. It may also adversely affect future sales as a result of reduced confidence in the insurance industry or difficulties encountered in clearing premiums and payments through the banking system. The Issuer believes that, despite increased focus by regulators with respect to systemic risk, this risk remains part of the financial system, and dislocations caused by the interdependence of financial market participants could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

***The Group is exposed to the risk of damage to its brand, the brands of its distribution partners, its reputation, or a decline in customer confidence in the Group or its products***

The Group's results are, to a certain extent, susceptible to its brand and reputation. The Group and its brand are vulnerable to adverse market perception as the Group operates in an industry where integrity, customer trust and confidence are paramount. In recent years, consumers across all industries have begun placing increased importance on the reputation of companies, including considerations as to whether their business is conducted in a sustainable and ethical manner.

Negative publicity or damage to the brand or the Group's reputation could, for example, result from litigation, employee misconduct, operational failures, the outcome of regulatory or other investigations or actions, failure to perform its obligations under service contracts with third parties, failure to understand and respond effectively to sustainability-related risks or climate events, allegations or determinations that the Group has failed to comply with social or other external expectations, regulatory or legislative requirements, failure in business continuity or performance of the Group's IT systems, loss of customer data or confidential information, fraudulent activities, malign influences and/or malicious activity, unsatisfactory service and support levels or insufficient transparency or disclosure of information. Negative publicity adversely affecting the Group's brand or its reputation could also result from misconduct or malpractice by intermediaries, business promoters or other third parties linked to the Group (such as strategic partners, distributors, third party administrators and suppliers).

The Group's brand and reputation could also face threats from external risks such as regulatory intervention or enforcement action, whether directly or as part of a larger and more general action against other companies that operate in the same sectors as the Group's operating entities.

In 2019, the Group sold its general insurance business to Allianz Holdings plc ("**Allianz**"). As part of the sale, the Group entered into a licensing agreement with Allianz, under which Allianz is permitted to continue to sell insurance products under the Group's brand name. This relationship is continued through a new multi-year Brand Partnership Agreement entered into in 2026. Any controversial activities carried out by Allianz, or any adverse impact on the reputation of, Allianz, could have an indirect consequential effect on the Group's reputation and/or brand. This could lead to indirect losses for the Group.

Damage to the Group's brands or reputation could cause existing partners or intermediaries to withdraw their business from the Group and potential customers, partners or intermediaries to be reluctant, or elect not, to do business with the Group. Such damage to the Group's brand or reputation could cause disproportionate damage to the Group's business, even if the negative publicity is factually inaccurate or unfounded. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of the Group, restricting the Group's access to distribution channels or the ability to access funding in the capital markets. The occurrence of any of these events could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

## **RISKS RELATING TO THE NOTES**

### **1. Risks related to the Structure of the Notes**

#### ***Payment Obligations and Subordination***

The Issuer's payment obligations under the Notes will be unsecured and subordinated. If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee on behalf of the Noteholders may claim or prove in such Issuer Winding-

Up for (in lieu of any other amount) an amount equal to the outstanding principal amount of the Notes together with all Arrears of Interest (if any) and any other accrued but unpaid interest on the Notes and any damages awarded for breach of any obligations under the Notes and the Trust Deed, such claims being subordinated as provided in Condition 3(b) and the Trust Deed. However, if and to the extent that the amount that the Noteholders could recover in such Issuer Winding-Up would exceed the amount per Note that would have been paid in respect of such Note in such Guarantor Winding-Up (had the Note been a subordinated obligation of the Guarantor for an amount equal to the relevant Guaranteed Amounts and ranking *pari passu* with the Guarantee), then the Noteholders shall, without the need for any further step or action, assign (and be treated as having assigned) irrevocably such excess amounts and the right thereto to the Guarantor. Furthermore, any amounts recovered by Noteholders in an Issuer Winding-Up will reduce *pro tanto* their claim against the Guarantor in a Guarantor Winding-Up, and *vice versa*.

The Issuer is a finance vehicle for the Group, with no other substantive operations at the date of these Admission Particulars. On the Issue Date, the Issuer will on-lend the proceeds of issue of the Notes to the Guarantor on a subordinated basis, and the Issuer's ability to make payments under the Notes when due is expected to be wholly dependent upon receipt by it of payments from the Guarantor under that intra-group loan. In the event of an Issuer Winding-Up, the Issuer may have no other substantive assets.

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring, the Noteholders (in relation to any amount which they are entitled to receive in such Issuer Winding-Up in respect of, or arising under, the Notes and the Trust Deed) shall, without the need for any further step or action, assign (and be treated as having assigned) irrevocably such amounts and the right thereto to the Guarantor as consideration for the Guarantor's agreement to assume, or procure the assumption by a Subsidiary of the Guarantor of, the obligations of the Issuer pursuant to, and in accordance with, Condition 4(c).

The Guarantor's payment obligations in relation to the Guarantee will be unsecured and subordinated and, in a Guarantor Winding-Up, will rank junior in priority to the claims of Senior Creditors. See further Condition 4. Accordingly, in a Guarantor Winding-Up, the assets of the Guarantor would be applied first in satisfying the claims of Senior Creditors in full, and payments would be made to holders of the Notes, *pro rata* and proportionately with payments made to holders of any other *pari passu* instruments, only if and to the extent that there are any assets remaining after satisfaction in full of all such senior-ranking claims. If the Guarantor's assets are insufficient to meet all its obligations to senior-ranking and *pari passu* creditors and the Notes, the holders of the Notes will lose all or some (which could be substantially all) of their investment in the Notes.

There is no restriction on the amount of securities which the Guarantor may issue or guarantee or other obligations or liabilities which it may incur or guarantee and which rank senior to, or *pari passu* with, the rights of Noteholders under the Guarantee, and, accordingly, the Guarantor may at any time issue or guarantee further securities and/or incur other obligations or liabilities which rank senior to, or *pari passu* with, the Guarantee. Consequently, there can be no assurance that the current level of higher priority or *pari passu* debt and other obligations of the Guarantor will not change. The issue of any such securities, the granting of any such guarantees and the incurrance of any such other obligations or liabilities may reduce the amount (if any) recoverable by Noteholders in a Guarantor Winding-Up. The ranking of claims against the Guarantor in a Guarantor Winding-Up are also expected to correspond to the order in which losses are borne by creditors of the Guarantor if Statutory Loss Absorption Powers were to be used in respect of the

Guarantor (see “*The Group may in future become subject to regimes governing the recovery, resolution or restructuring of insurance companies. The timing and implications of these regimes are still unclear*” below), which would generally be expected to align with the creditor hierarchy in a Guarantor Winding-Up (with a view to seeking to avoid creditors being worse off in a resolution than they would be in normal insolvency proceedings).

In addition, by acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived any right of set-off, compensation, counterclaim, netting or retention that it might otherwise have against the Issuer or the Guarantor in respect of or arising under the Notes, the Guarantee or the Trust Deed.

The Guarantor is the parent company of the Insurance Group as well as being a regulated insurance company. Certain operations of the Insurance Group are conducted by the operating subsidiaries of the Guarantor. Accordingly, creditors of a Subsidiary would have to be paid in full before sums would be available to the shareholders of that Subsidiary and thereafter (by the payment of dividends to the Guarantor) form part of the Guarantor’s resources which may (subject to subordination of claims against the Guarantor as described above) potentially be available to satisfy the claims of Noteholders in respect of any payment obligations of the Guarantor under the Notes or the Guarantee.

If the Guarantor’s financial condition deteriorates such that there is an increased risk that there may be a Guarantor Winding-Up, such circumstances can be expected to have a material adverse effect on the market price of the Notes. Investors in the Notes may find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price that may be significantly lower than the price at which they purchased their Notes. In such a sale, investors may lose some or substantially all of their investment in the Notes, whether or not there is a Guarantor Winding-Up.

Although the Notes may pay a higher rate of interest than comparable notes which are not subject to a subordinated guarantee, there is a significant risk that an investor in the Notes will lose all or some of its investment should the Guarantor become insolvent.

***Payments by the Issuer and the Guarantor are conditional upon the satisfaction of solvency requirements***

Other than in circumstances where a Guarantor Winding-Up has occurred or is occurring, all payments by the Issuer or Guarantor under or arising from (including any damages awarded for breach of any obligations under) the Notes or Guarantee, as applicable, are conditional upon the Issuer or, as applicable, the Guarantor being solvent (as defined below) at the time for payment by the Issuer or, as appropriate, the Guarantor, and no amount shall be due or payable under or arising from the Notes and the Trust Deed (including, without limitation, the Guarantee) unless and until such time as the Issuer or, as appropriate, the Guarantor, could make such payment and still be solvent immediately thereafter (the “**Solvency Condition**”). For these purposes, the Issuer will be “**solvent**” if (i) it is able to pay its debts owed to Issuer Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities, and the Guarantor will be “**solvent**” if (i) it is able to pay its debts owed to Senior Creditors and Parity Creditors as they fall due and (ii) its Assets exceed its Liabilities. If any payment of interest, Arrears of Interest and/or principal cannot be made by the Issuer or, as appropriate, the Guarantor, in compliance with the Solvency Condition, payment of such amounts will be deferred in accordance with the Conditions, and such deferral will not constitute a default under the Notes or the Trust Deed for any purpose.

Any actual or anticipated deferral of payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the deferral provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Guarantor's financial condition.

***Interest payments under the Notes and the Guarantee may be deferred and under certain circumstances must be deferred***

Either the Issuer or the Guarantor may at any time elect to defer payments of interest on the Notes for any reason. While the risk of the Issuer or the Guarantor electing to defer payments of interest may increase if the Guarantor or the Group is in financial distress or if the Issuer or Guarantor is directed to do so by the Relevant Regulator, the Issuer's and Guarantor's right to elect to defer payments of interest is unfettered and unconditional, and may be exercised at any time.

In addition, the Issuer and the Guarantor will be required to defer any payment of interest on the Notes (i) in the event that such payment cannot be made in compliance with the applicable Solvency Condition or (ii) (unless the Relevant Regulator waives such deferral in certain exceptional circumstances) on each Regulatory Deficiency Interest Deferral Date (being each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were made on such Interest Payment Date).

The deferral of interest (and Guaranteed Amounts in respect of interest) as described above does not constitute a default under the Notes or the Guarantee for any purpose, and the Conditions do not impose any restrictions on the Issuer or the Guarantor as a result of any such deferral (including that there are no restrictions on the Issuer or the Guarantor paying dividends or interest on their shares or other securities, or redeeming or repurchasing any securities of the LV Group). Any interest so deferred shall, for so long as the same remains unpaid, constitute Arrears of Interest. Arrears of Interest do not themselves bear interest. Arrears of Interest may, subject to certain conditions, be paid by the Issuer at any time upon notice to Noteholders, but in any event shall be payable, subject to satisfaction of the Regulatory Clearance Condition and (except where a Guarantor Winding-Up occurs) the Solvency Condition, on the earliest to occur of (a) the next Interest Payment Date which is not a Regulatory Deficiency Interest Deferral Date (or which is a Regulatory Deficiency Interest Deferral Date but the Relevant Regulator has waived mandatory deferral of interest on such date as contemplated in Condition 6(c)) and on which payment of interest in respect of the Notes is made or is required to be made pursuant to the Conditions, (b) the date on which a Guarantor Winding-Up occurs or (c) the date fixed for any redemption or purchase of the Notes pursuant to Condition 8 (subject to any deferral of such redemption date pursuant to Condition 8(b)) or Condition 11.

Any actual or anticipated deferral of interest payments will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Guarantor's financial condition.

***Redemption payments under the Notes must, under certain circumstances, be deferred***

Notwithstanding the expected maturity of the Notes on the Maturity Date, the Issuer must defer redemption of the Notes on the Maturity Date or on any other date set for redemption of the Notes pursuant to any of Conditions 8(d), 8(e), 8(f) or 8(i) in the event that it cannot make the redemption payments in compliance with the Solvency Condition or (ii) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were redeemed by the Issuer on such date.

The deferral of redemption of the Notes (and the payment of Guaranteed Amounts in respect of redemption of the Notes) does not constitute a default under the Notes or the Guarantee for any purpose. Where redemption of the Notes is deferred, subject to certain conditions (including satisfaction of the Regulatory Clearance Condition, and except where a Guarantor Winding-Up occurs, the Solvency Condition), the Notes will be redeemed by the Issuer on the earliest of (a) (if deferral was due to a Regulatory Deficiency Redemption Deferral Event) the date falling 10 Business Days following cessation of the Regulatory Deficiency Redemption Deferral Event or (if deferral was due to the Solvency Condition) the date falling 10 Business Days after the date on which the Guarantor is solvent within the meaning of the Solvency Condition, (b) the date falling 10 Business Days after the Relevant Regulator has agreed to, or confirmed its non-objection to, the repayment or redemption of the Notes (and provided such agreement or non-objection is not withdrawn by the Relevant Regulator prior to such tenth Business Day) in the circumstances in which it is permitted to do so under the Relevant Rules (as defined in the Conditions) or (c) the date on which a Guarantor Winding-Up occurs.

Any actual or anticipated deferral of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, including with respect to deferring redemption on the scheduled maturity date, the market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled Maturity Date cannot be deferred, and the Notes may accordingly be more sensitive generally to adverse changes in the Guarantor's financial condition.

### ***Early Redemption***

The Notes may, subject as provided in Condition 8, at the option of the Issuer, be redeemed before the Maturity Date at their principal amount, together with all Arrears of Interest (if any) and any other accrued but unpaid interest to (but excluding) the date of redemption:

- (A) on the First Reset Date or any Interest Payment Date thereafter; or
- (B) at any time (i) in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a change in applicable law or regulation or the official interpretation thereof, or (ii) following the occurrence of a Capital Disqualification Event or the occurrence of (or if the Issuer satisfies the Trustee that there will occur within six months) a Ratings Methodology Event, or (iii) if at any time 75 per cent. or more of the aggregate principal amount of the Notes originally issued (for which purpose any Further Notes will be deemed to have been originally issued) has been purchased by the Issuer, the Guarantor or any other member of the Insurance Group and cancelled.

The Guarantor currently expects the Notes to qualify (subject to any applicable limitations on the amount of such capital) as Tier 2 Capital of the Guarantor and the Insurance Group. However, there is a risk that following any future change to the Relevant Rules, the Notes will cease to

qualify as Tier 2 Capital of the Guarantor or the Insurance Group or that they will become and later cease to be Tier 2 Capital of another insurance or reinsurance undertaking within the Insurance Group whether on a solo, group or consolidated basis, which would entitle the Issuer to redeem the Notes early at their principal amount together with all Arrears of Interest (if any) and any other interest accrued but unpaid to (but excluding) the date of redemption.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, Condition 8(b)(vii) provides that the Issuer or the Guarantor may waive or suspend, at any time and in their sole discretion, the Issuer's right to redeem the Notes under any of Conditions 8(e), 8(f) or 8(i) for a (definite or indefinite) period of time to be determined by the Issuer or the Guarantor (the "**Inapplicability Period**"), and may subsequently terminate any such Inapplicability Period in its sole discretion. Any decision by the Issuer or the Guarantor to initiate or terminate an Inapplicability Period could adversely affect the market value of the Notes and/or result in volatility in the market price of the Notes.

#### ***Variation or substitution of the Notes without Noteholder consent***

Subject as provided in Condition 8, the Issuer may, at its option and without the consent or approval of the Noteholders, elect to substitute the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities or (in the case of a Ratings Methodology Event) Rating Agency Compliant Securities (as the case may be) at any time in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a change in applicable law or regulation or the official interpretation thereof or following the occurrence of a Capital Disqualification Event or the occurrence of (or if the Issuer satisfies the Trustee that there will occur within six months) a Ratings Methodology Event.

Whilst any Qualifying Tier 2 Securities or Rating Agency Compliant Securities must have terms not materially less favourable to an investor than the terms of the Notes, there can be no assurance that any Qualifying Tier 2 Securities or Rating Agency Compliant Securities will be as favourable to investors in all respects as the Notes. Any features of Qualifying Tier 2 Securities or Rating Agency Compliant Securities which are not as favourable to investors as the Notes may have an adverse effect on the market price of the Notes, and Noteholders will be solely responsible for any taxes or duties arising to them as a result of any such substitution or variation.

#### ***Restricted remedy for non-payment when due***

##### *The Issuer is a special purpose vehicle*

The Issuer is a financing vehicle with no business operations of its own, other than raising financing, advancing funds to and receiving funds from the Guarantor. As such, substantially all of the Issuer's assets will be the on-loan to the Guarantor referred to under "Use and Estimated Net Amount of Proceeds" below. Interest payments in respect of the Notes will effectively be paid from cash flows generated from the business of the Group and accordingly the ability of the Issuer to pay interest on and repay the Notes will be subject to all the risks to which the Group is subject (see "*Risks Relating to the Group's Business and Industry*" above). If the Guarantor's financial

condition were to deteriorate, the Issuer, and accordingly investors in the Notes, may suffer direct and materially adverse consequences.

*Limited remedies for non-payment by the Issuer when due*

If the Issuer is in default of any payment of interest (including any Arrears of Interest) or any principal due in respect of the Notes, the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions) any Noteholder may claim under the Guarantee (in accordance with the terms of the Guarantee) for such payment.

Non-payment by the Issuer of any amounts when due or the occurrence of any Issuer Winding-Up will not, of itself, render the Notes immediately due and payable at their principal amount. In circumstances where the Issuer fails to make a payment when due or an Issuer Winding-Up occurs but the Guarantor does not default in its obligations, the Guarantor shall procure the substitution of itself or of another Subsidiary of the Guarantor as issuer of the Notes in place of the Issuer as if the Issuer default had not occurred.

*Limited remedies for non-payment by the Guarantor when due*

If default is made by the Guarantor for a period of 14 days or more in the payment of any Guaranteed Amount due under the Guarantee, the sole remedy against the Guarantor available to the Trustee or (where the Trustee has failed to proceed against the Guarantor as provided in the Conditions) any Noteholder for recovery of amounts which have become due in respect of the Guarantee will be the institution of proceedings for the winding-up in England and Wales (but not elsewhere) of the Guarantor and/or claiming and/or proving in any Guarantor Winding-Up. Subject as set out below and in the Conditions, there would be no separate remedy against the Issuer in this circumstance.

*Remedies upon a Guarantor Winding-Up and/or Issuer Winding-Up*

In the event that a Guarantor Winding-Up occurs but an Issuer Winding-Up has not occurred or is not occurring, the Trustee or (where the Trustee has failed to proceed against the Guarantor as provided in the Conditions) any Noteholder may institute proceedings for the winding-up in England and Wales (but not elsewhere) of the Issuer and/or claim and/or prove in any Issuer Winding-Up, or prove and/or claim in the Guarantor Winding-Up, but may take no further or other action to enforce, prove or claim for any payment by the Guarantor in respect of the Notes or the Trust Deed (including the Guarantee).

In the event that an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee or (where the Trustee has failed to proceed against the Guarantor as provided in the Conditions) any Noteholder may prove and/or claim in the relevant Issuer Winding-Up and/or Guarantor Winding-Up, such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i) or Condition 4(b), as applicable, but may take no further action. Any amounts recovered from the Issuer or the Guarantor will reduce the Noteholders' claim against the Guarantor or the Issuer, respectively, and in no event shall a Noteholder be able to recover more from the Issuer, or from the Issuer and the Guarantor together, than it would otherwise have been able to recover directly from the Guarantor alone. There can be no assurance that an Issuer Winding-Up will occur at the same time as or following a Guarantor Winding-Up.

As a result of the above, there is a significant risk that an investor in the Notes may not be able to recover its investment should the Issuer and/or the Guarantor fail to make payment under the Notes when due.

***No limitation on Issuer or Guarantor issuing or guaranteeing further securities or incurring other liabilities or obligations***

There is no restriction on the Issuer or the Guarantor issuing or guaranteeing securities, or incurring other liabilities or obligations, which rank equally with, or in priority to, the claims of Noteholders in respect of the Notes or the Guarantee (as applicable). The issue or guarantee of any such securities, and/or the incurrence of any such other liabilities or obligations, may reduce the amount (if any) recoverable by Noteholders in an Issuer Winding-Up and/or a Guarantor Winding-Up.

***Change of law***

The Conditions are based on English law and regulation in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, regulation or administrative practice after the date of issue of the Notes and any such change could materially adversely impact the value of any Notes affected by it.

***Integral multiples***

Investors who hold a principal amount of Notes that is less than the minimum specified denomination will be adversely affected if Certificates evidencing holdings of Notes are subsequently required to be issued. The Notes are issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof. If Certificates evidencing holdings of Notes were to be issued, a Noteholder who holds less than £100,000 in principal amount of the Notes in its account with a relevant clearing system would not be able to receive a Certificate representing those Notes, and would need to purchase additional Notes such that it holds at least a principal amount of £100,000 in order to receive its Certificate representing those Notes.

***The Group may in future become subject to regimes governing the recovery, resolution or restructuring of insurance companies. The timing and implications of these regimes are still unclear***

The UK Financial Services and Markets Act 2023 implemented amendments to clarify and extend the powers of the court under Section 377 of FSMA to enable (among other things) the write-down and deferral of unsecured liabilities of UK insurers (which may include the Notes) in financial distress (i.e., prior to an insurer becoming insolvent in certain circumstances). These amendments were intended to enhance the UK's resolution regime for insurers, enabling smoother and more orderly wind-downs of troubled insurers, thereby protecting policyholders, and mitigating risks to the wider financial system. This includes clarifying the scope of the power, creating a statutory moratorium on certain contractual termination rights upon application to the court for and during a write-down, administration or a winding-up, providing for the appointment of a 'write-down manager', a stay on policyholder surrender rights in certain circumstances for life insurance policies and ensuring that the Financial Services Compensation Scheme rules require payments to policyholders whose claims are reduced by a write-down. The court's write-down powers do not extend to secured liabilities of the insurer but insurers' liabilities which are secured by a floating charge are potentially within the court's write down powers. Any such write-down (and any

subsequent write-up or 'reactivation', if applicable) would have regard to the order in which liabilities sit in the creditor hierarchy as set out in the Insurers (Reorganisation and Winding Up) Regulations 2004 (SI 2004/353), although the regime does not include a specific 'no creditor worse off' (NCWO) safeguard (see the risk factor above entitled "*Restricted remedy for non-payment when due - Remedies upon a Guarantor Winding-Up and/or Issuer Winding-Up*").

In addition, in January 2023 HM Treasury released a Consultation Paper detailing its proposals for introducing an Insurer Resolution Regime (the "IRR"), which is separate from the changes introduced by sections 377A to 377K of FSMA. The proposals intended to facilitate, amongst other things, UK financial stability and the protection of policyholders. In August 2023, HM Treasury confirmed that it plans to legislate for the implementation of the IRR. However, draft legislation for the IRR has not been published and the timetable for enacting the proposals is not clear. Firms will have at least 12 months to comply with the IRR requirements once in force. Once the IRR is implemented, the Bank of England will serve as the resolution authority for insurers, working in collaboration with the PRA and FCA to bring the IRR into effect. The IRR will apply to UK branches of foreign insurers, holding companies, niche insurers, and mutuals, excluding Lloyd's. The IRR will grant the PRA greater flexibility in determining and responding to potentially systemic failures compared to the Solvency UK ladder of intervention.

Provided certain conditions are met the Bank of England, as resolution authority, will be granted the power to exercise a range of "stabilisation options" to mitigate the harm caused by a failing insurer, including: transfer to a private sector purchaser; establish and operate a "bridge institution" to hold all or part of the relevant insurer's business; arranging the 'bail-in' of a failing insurer through restructuring, and modifying, limiting, or writing down its liabilities; and to place the insurer into temporary public ownership. The Bank of England could also potentially issue new equity to those creditors whose debt is written down. Furthermore, the regime will incorporate two distinct valuation processes; a set of pre-resolutions valuations before the resolution authority exercises any of the stabilisation options and a second valuation, following resolution, by an independent valuer appointed by HM Treasury to conduct an independent valuation to determine the level of "no creditor worse off" compensation.

The implementation of the IRR means there is a risk that in a resolution scenario, in order to reduce or defer the liabilities of the Guarantor and/or the Insurance Group, liabilities owed to unsecured creditors could be restructured, modified, limited, or written down and/or converted into shares (in whole or in part). In such a scenario, losses borne by creditors of the Issuer (including the Noteholders) are likely to be borne in a manner which corresponds to the creditor hierarchy in the insolvency of the Issuer, such that creditors in respect of subordinated obligations (such as the Notes) are likely to be among the first creditors to bear losses, and may be expected to lose their entire investment before losses are borne by more senior-ranking creditors or policyholders. The introduction of the IRR, and amendments to such regime over time, may adversely affect the market price of the Notes and/or result in increased volatility in such market price, and such effects may become more pronounced if the market anticipates that the Guarantor or the Group may become subject to resolution proceedings (whether or not the Guarantor or the Insurance Group do, in fact, become so subject).

As further provided in Condition 12, by its acquisition of any Note (or any interest in any Note), each holder of any Note (or any interest in any Note) will acknowledge and accept, and agree to be bound by, the consequences of any exercise of Statutory Loss Absorption Powers, and will acknowledge and accept that an exercise of the Statutory Loss Absorption Powers in respect of the Issuer, the Guarantor, the Notes or the Trust Deed (including the Guarantee) and its effects

thereon shall not constitute a default by the Issuer or the Guarantor. In addition, Condition 12 contains provisions permitting the Issuer or the Guarantor (as applicable) to make amendments to the Conditions, the Notes and the Trust Deed (including the Guarantee), without the consent of the Noteholders, to ensure that the Notes are subject to (or are otherwise acknowledged as being so subject to) any applicable Statutory Loss Absorption Powers, if the Issuer or the Guarantor determines, in its sole discretion, that this is necessary in order to ensure that the Notes continue to qualify (in whole or in part) as Tier 2 Capital for the purposes of the Guarantor and/or the Insurance Group (whether on a solo, group or (sub-)consolidated basis) or is required by the Relevant Rules or a determination or decision of the Relevant Regulator. Separately, on 23 January 2024, the PRA published a consultation on the introduction of new rules for UK insurers (such as the Guarantor and the Insurance Group) to ensure they are appropriately prepared to undertake a solvent exit (as an alternative to recovery action), including by producing and maintaining a solvent exit analysis and, where solvent exit becomes a reasonable prospect, preparing a detailed solvent exit execution plan. The PRA published a policy statement on these proposed reforms in December 2024, which will be implemented by way of new rules and a new Supervisory Statement SS11/24. UK insurers (such as the Guarantor) are expected to comply with these new rules and expectations by 30 June 2026.

## **2. Other risks related to the Notes**

### ***The secondary market generally***

Although application has been made to admit the Notes to trading on the International Securities Market of the London Stock Exchange, the Notes have no established trading market and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes. These effects may be exacerbated if the Notes are initially issued to a small number of initial investors. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition and/or the solvency position of the Issuer, the Guarantor or the LV Group deteriorates such that there is an actual or perceived increased likelihood of the Issuer and the Guarantee being required to defer payments of interest and/or suspend repayment of principal in respect of the Notes.

***If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

Payments of principal and interest on the Notes will be made in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past)

exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Fixed rate reset notes are exposed to specific market risks***

The Notes bear a fixed rate of interest which will be reset on the First Reset Date (being 5 May 2036) and every Reset Date thereafter. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital market (the “**Market Interest Rate**”). Given the long maturity of the Notes, potential movements in the Market Interest Rate over the life of the Notes are difficult to predict. While the nominal rate of a security with a fixed interest rate is fixed for a specified period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security is likely to change in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a security with a fixed compensation rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

In addition, the reset of the fixed interest rate in accordance with Condition 5 may also affect the market value of the Notes in the secondary market and, following any such reset of the fixed interest rate, the new fixed interest rate on the Notes may be lower than the previous fixed interest rate on the Notes, thereby reducing the amount of interest payable to Noteholders.

***Limitation on gross-up obligation under the Notes***

The obligation of the Issuer or the Guarantor, if any, to pay Additional Amounts in respect of any withholding or deduction in respect of taxes imposed in a Relevant Jurisdictions under the terms of the Notes applies only to payments of interest (including Arrears of Interest and payments of Guaranteed Amounts in respect of interest and Arrears of Interest), and not to payments of principal or any other amount (or Guaranteed Amounts in respect of principal or any other amount).

As such, the Issuer or the Guarantor, as applicable, would not be required to pay any Additional Amounts under the terms of the Notes to the extent that any withholding or deduction applied to payments of principal or any other amount (or Guaranteed Amounts in respect of principal or any other amount). Accordingly, if any such withholding or deduction were to apply to any payments of principal or any other amount under the Notes, Noteholders may receive less than the full amount which would otherwise be due to them under the Notes, and the market value of the Notes may be adversely affected.

***Credit ratings may not reflect all risks***

The Notes are expected to be rated BBB- by S&P. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Conversely, a revision, suspension, lowering or withdrawal of a credit rating may have a materially adverse effect on the liquidity and market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, rating agencies may from time to time elect to assign credit ratings to the Issuer, the Guarantor, the Notes or any of their other securities on an unsolicited basis. Any changes in, or withdrawals of, unsolicited ratings may also affect the market value of the Notes, notwithstanding that the information available to such rating agency may be limited to publicly available information.

Furthermore, in general, European regulated investors are restricted under Regulation 1060/2009/EC (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the “**EU CRA Regulation**”) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the retained EU law version of the EU CRA Regulation (the “**UK CRA Regulation**”). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Issuer or the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

***Investors must rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer***

The Notes will be represented by the Global Certificate upon issue. The Global Certificate will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear or

Clearstream, Luxembourg and will receive and provide any notices only through Euroclear or Clearstream, Luxembourg.

While the Notes are represented by the Global Certificate, the Issuer or, as appropriate, the Guarantor, will discharge its payment obligations under the Notes by making payments to or to the order of the registered holder as nominee for the common depositary for Euroclear or Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer or, as appropriate, the Guarantor, has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

#### ***Modifications and waivers***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Written resolutions executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present, and resolutions passed by way of electronic consents given by holders of not less than 75 per cent. in principal amount of the Notes, shall also take effect as Extraordinary Resolutions and shall bind all Noteholders, including Noteholders who did not execute the written resolution or, as the case may be, did not give any electronic consent.

The Conditions also provide that, subject to the prior consent of the Relevant Regulator being obtained (so long as such consent is required), the Trustee may, without the consent of Noteholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed in the circumstances described in Condition 16.

Accordingly, there is a risk that the terms of the Notes may be modified, waived or amended in circumstances where an investor in the Notes does not agree to such modification, waiver or amendment, which may adversely impact the rights of such investor.

#### ***Substitution of obligors and transfer of business***

The Conditions provide that the Trustee shall, without the consent of the Noteholders, agree to the substitution of another company as principal debtor or guarantor under the Notes in place of the Issuer, or, as the case may be, the Guarantor or its successor in business in the circumstances described in Condition 15.

In addition, Condition 17 provides that the Guarantor may transfer the whole or a substantial part (being any part which represents 50 per cent. or more of the liabilities (where the amount of the liabilities of the Guarantor is deemed to mean the same as the technical provisions of the Guarantor, net of reinsurance) relating to policies underwritten by the Guarantor) of its business, without any prior approval from the Trustee or the Noteholders, to a successor in certain circumstances provided that all the liabilities and obligations of the Guarantor as principal obligor under the Guarantee are included in the transfer.

Accordingly, there is a risk that a substitution or transfer may be effected in circumstances where an investor in the Notes does not agree to such substitution or transfer which may adversely affect the market value of the Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes which (subject to modification) will be endorsed on the Certificates issued in respect of the Notes (if issued):*

The issue of the £150,000,000 7.625 per cent. Fixed Rate Reset Callable Guaranteed Subordinated Notes due 2046 (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any Further Notes) was (save in respect of any such Further Notes) authorised by a resolution of the board of directors of LV Bonds Plc (the “**Issuer**”) passed on 26 April 2026. The subordinated guarantee of the Notes was authorised by resolutions of the board of directors of Liverpool Victoria Financial Services Limited (the “**Guarantor**”) passed on 25 March 2026 and 22 April 2026, and by a committee duly authorised by the board of directors of the Guarantor passed on 26 April 2026. The Notes are constituted by a trust deed dated 5 May 2026 (as amended and/or restated and/or supplemented from time to time, the “**Trust Deed**”) between the Issuer, the Guarantor and HSBC Corporate Trustee Company (UK) Limited (the “**Trustee**”, which expression shall include all persons for the time being and from time to time appointed as the trustee or trustees under the Trust Deed) as trustee in respect of the Notes. These terms and conditions (the “**Conditions**”, and references to a particularly numbered “**Condition**” shall be construed accordingly) include summaries of, and are subject to, the detailed provisions of the Trust Deed. An agency agreement dated 5 May 2026 (as amended and/or restated and/or supplemented from time to time, the “**Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee and HSBC Bank plc as registrar (the “**Registrar**”, which expression shall include any successor thereto), as transfer agent (the “**Transfer Agent**”, which expression shall include any successor thereto and any additional transfer agents appointed thereunder) and as initial principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor thereto, and, together with any further paying agents appointed thereunder, the “**Paying Agents**”, which expression shall include any successors thereto). Copies of the Trust Deed and the Agency Agreement (i) are available for inspection by Noteholders (as defined below) during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) and upon reasonable notice at the specified offices of the Trustee, the Principal Paying Agent, the Registrar and any Transfer Agent; or (ii) may be provided by email to a Noteholder following its prior written request to any Paying Agent, in each case upon provision of proof of holding of Notes and identity (in a form satisfactory to the relevant Paying Agent).

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

### 1. **Form, Denomination and Title**

#### (a) *Form and Denomination*

The Notes are issued in registered form in principal amounts of £100,000 and integral multiples of £1,000 in excess thereof (referred to as the “**principal amount**” of a Note, and references in these Conditions to “**principal**” in relation to a Note shall be construed accordingly) without coupons attached. A certificate

(each a “**Certificate**”) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer (failing whom, the Guarantor) will procure to be kept by the Registrar (the “**Register**”) on which shall be entered the names, addresses and account details of Noteholders and the particulars of the Notes held by them and of all transfers and repayments of Notes.

(b) *Title*

Title to the Notes shall pass only by transfer and registration in the Register. The holder of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Noteholder**” and (in relation to a Note) “**holder**” means the person against whose name a Note is registered in the Register (or, in the case of joint holders, the first named thereof). Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

## 2. **Transfers of Notes and Issue of Certificates**

(a) *Transfers*

Subject to Conditions 2(d) and 2(e), each Note may be transferred (in whole or in part, subject to such transfer and any remainder being in a minimum amount of £100,000) by depositing the Certificate issued in respect of that Note, together with the form of transfer in respect thereof duly completed, executed and (where applicable) stamped, at the specified office of the Registrar or a Transfer Agent.

No transfer of a Note will be valid unless and until entered on the Register. A Note may be registered only in the name of, and transferred only to, a named person (or persons not exceeding four in number) or a nominee.

(b) *Delivery of new Certificates*

Each new Certificate to be issued upon a transfer of Notes will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the duly completed, executed and (where applicable) stamped form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note (but free of charge to the Noteholder) to the address specified in the form of transfer. The form of transfer shall be available at the specified offices of the Transfer Agents.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the balance of Notes not so transferred will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred (but free of charge to the

Noteholder) to the address of such holder appearing on the Register or as specified in the form of transfer.

(c) *Formalities free of charge*

Registration of transfer of any Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and (ii) the Registrar or relevant Transfer Agent being satisfied with the documents of title and/or the identity of the person making the application.

(d) *Closed periods*

No Noteholder may require the transfer of a Note (or part thereof) to be registered during the period of 15 days ending on the due date for any payment of principal or interest or during the period following delivery of a notice of a voluntary payment of Arrears of Interest in accordance with Condition 6(f) and Condition 14 and ending on the date referred to in such notice as having been fixed for such payment of Arrears of Interest.

(e) *Regulations*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer and the Guarantor with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one and will be available at the specified offices of the Transfer Agents.

**3. Status of the Notes, etc.**

(a) *Status*

The Notes constitute direct and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in any Issuer Winding-Up are as described in the Trust Deed and this Condition 3.

(b) *Issuer Winding-Up*

(i) *Issuer Winding-Up and Guarantor Winding-Up*

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and (where permitted to do so pursuant to Condition 11(d)) the Noteholders may claim or prove in such Issuer Winding-Up for (in lieu of any other amount) an amount equal to the outstanding principal amount of the Notes together with all Arrears of Interest (if any) and any other accrued

but unpaid interest on the Notes and any damages awarded for breach of any obligations under the Notes and the Trust Deed, and the rights and claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed which shall not be subordinated) and the Noteholders against the Issuer in respect of such amounts will be subordinated in the manner provided in the Trust Deed to the claims of all Issuer Senior Creditors. If and to the extent that the amount that the Trustee or the Noteholders could recover in such Issuer Winding-Up (including any damages awarded for breach of any obligations under the Notes and the Trust Deed) would exceed the amount per Note that would have been paid in respect of such Note in such Guarantor Winding-Up (had the Note been a subordinated obligation of the Guarantor for an amount equal to the relevant Guaranteed Amounts and ranking *pari passu* with the Guarantee), then the Trustee and the Noteholders shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such excess amounts and the right thereto to the Guarantor.

(ii) *Issuer Winding-Up and no Guarantor Winding-Up*

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring, the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders (in each case in relation to any amount which they are entitled to receive in such Issuer Winding-Up in respect of, or arising under, the Notes and the Trust Deed (including any damages awarded for breach of any obligations thereunder)) shall, without the need for any further step or action on the part of the Trustee or Noteholders, assign (and be treated as having assigned) irrevocably such amounts and the right thereto to the Guarantor as consideration for the Guarantor's agreement to assume, or procure the assumption by a Subsidiary of the Guarantor of, the obligations of the Issuer (including the obligation to pay such aforementioned damages, if any) pursuant to, and in accordance with, Condition 4(c) and shall be deemed irrevocably to have authorised and directed the Issuer (or its liquidator, administrator or, as appropriate, other similar official) to make the payment of any such amounts directly to the Guarantor.

This Condition 3(b)(ii) is without prejudice to any claim which the Trustee and the Noteholders may have, in such circumstances, against the Guarantor under Condition 4 or against any Substituted Obligor substituted for the Issuer pursuant to Condition 15.

(iii) *No double recovery*

If, in the circumstances contemplated in this Condition 3(b), any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under the Trust Deed) and/or the Noteholders in respect of, or arising under, the Notes and/or the Trust Deed by the

liquidator, the administrator or other similar official (as applicable) of the Issuer, such amount shall, in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii), reduce *pro tanto* the amounts payable by the Guarantor under the Guarantee and/or, as appropriate, any Substituted Obligor substituted for the Issuer pursuant to Condition 4(c) or Condition 15 (save to the extent such amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Issuer or its liquidator or, as appropriate, administrator in accordance with Condition 3(d)).

If, in the circumstances contemplated in this Condition 3(b), any payment is made to the Trustee (other than payments made to the Trustee in its personal capacity under the Trust Deed) and/or the Noteholders in respect of, or arising under, the Guarantee by the liquidator, the administrator or other similar official (as applicable) of the Guarantor, such amount shall, in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii), reduce *pro tanto* the amounts payable by the Issuer under the Notes and the Trust Deed (save to the extent such amounts are subsequently paid by the Trustee or, as appropriate, the Noteholders to the Guarantor or its liquidator, administrator or other similar official (as appropriate) in accordance with Condition 3(d)).

(iv) *Payments to Trustee in personal capacity*

Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

(c) *Solvency Condition*

Other than in circumstances where a Guarantor Winding-Up has occurred or is occurring (but subject to Condition 3(b)(iv)):

- (i) all payments by the Issuer under or arising from (including any damages awarded for breach of any obligations under) the Notes or the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer, and no amount shall be due or payable by the Issuer under or arising from the Notes or the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter; and
- (ii) all payments by the Guarantor under or arising from (including any damages awarded for breach of any obligations under) the Notes or the Trust Deed shall be conditional upon the Guarantor being solvent at the time for payment by the Guarantor, and no amount shall be due or payable by the Guarantor under or arising from the Notes or the Trust Deed (including, without limitation, the Guarantee) unless and until such time as the Guarantor could make such payment and still be solvent immediately thereafter,

(the “**Solvency Condition**”).

For the purposes of this Condition 3(c), the Issuer will be “**solvent**” if (i) it is able to pay its debts owed to Issuer Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities, and the Guarantor will be “**solvent**” if (i) it is able to pay its debts owed to Senior Creditors and Parity Creditors as they fall due and (ii) its Assets exceed its Liabilities.

Any payment of interest that would have been due and payable but for the operation of the Solvency Condition shall be deferred and shall be paid as provided in Condition 6(f). Any payment of principal that would have been due and payable but for the operation of the Solvency Condition shall be deferred and shall be paid as provided in Condition 8(b).

A certificate as to the solvency or lack thereof of the Issuer or the Guarantor signed by two Directors or Authorised Signatories of the Issuer or the Guarantor or, if there is an Issuer Winding-Up or Guarantor Winding-Up, the liquidator, administrator, or, as the case may be, other similar official of the Issuer or the Guarantor (as applicable) shall (in the absence of manifest error) be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(d) *Set-off, etc.*

By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived and to have directed and authorised the Trustee on its behalf to have waived any right of set-off, compensation, counterclaim, netting or retention that such Noteholder might otherwise have against the Issuer or the Guarantor in respect of or arising under the Notes or the Trust Deed (including the Guarantee) whether prior to or in the event of an Issuer Winding-Up or Guarantor Winding-Up (as applicable). Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under the Notes or the Trust Deed (including the Guarantee) are discharged by set-off, compensation, counterclaim, netting or retention, such Noteholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, as appropriate, the Guarantor or, if applicable, the liquidator, trustee, receiver, administrator or other similar official of the Issuer or, as appropriate, the Guarantor and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, as appropriate, the Guarantor or, if applicable, the liquidator, trustee, receiver, administrator or other similar official in the relevant Issuer Winding-Up or Guarantor Winding-Up (as the case may be). Accordingly, such discharge will be deemed not to have taken place.

In this Condition 3(d), references to a Noteholder shall be construed as also including any holder of any beneficial interest in any Note.

#### 4. **Guarantee**

(a) *Status*

The Guarantor has (subject as provided in Conditions 3(c)(ii), 4(b), 6(a), 6(b), 6(g) and 8(b)) in the Trust Deed irrevocably guaranteed on the terms set out therein the due and punctual payment of all principal, interest, Arrears of Interest and other sums from time to time which are due and payable by the Issuer in respect of the Notes or under, or pursuant to, the Trust Deed (“**Guaranteed Amounts**”). The obligations of the Guarantor under such guarantee (including those referred to in Condition 4(c)) (the “**Guarantee**”) constitute direct, unsecured and subordinated obligations of the Guarantor. For the purpose only of determining whether any Guaranteed Amount is from time to time due and payable by the Issuer for the purposes of the obligations of the Guarantor under the Guarantee, the relevant principal, interest, Arrears of Interest or other sum shall be deemed to be due and payable by the Issuer on the date on which such amount is expressed to be due and payable in accordance with these Conditions regardless of whether the requirements of Condition 3(c)(i) are satisfied on such date.

(b) *Subordination*

If:

- (i) at any time an order is made, or an effective resolution is passed, for the winding-up of the Guarantor (except, in any such case, (a) a winding-up following the transfer of all its liabilities and obligations as principal obligor under the Guarantee to a transferee in connection with a transfer of its business pursuant to Condition 17 or (b) a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Guarantor of a successor in business (as defined in Condition 22) of the Guarantor, the terms of which reconstruction, amalgamation or substitution (A) have previously been approved in writing by the Trustee or by an Extraordinary Resolution and (B) do not provide that the Notes or any amount in respect thereof (including under the Guarantee) shall thereby become payable); or
- (ii) an administrator of the Guarantor is appointed and such administrator gives notice that it intends to declare and distribute a dividend or other distribution of the assets of the Guarantor; or
- (iii) the liquidation or dissolution of the Guarantor or any other event or procedure analogous to that described in sub-paragraph (i) or (ii) occurring in respect of the Guarantor (including, if applicable, any special insolvency procedure or special administration procedure pursuant to any applicable regime for the recovery and resolution of insurance firms and their affiliates) which has the effect of a winding-up or liquidation of the Guarantor,

(the events in Conditions 4(b)(i), 4(b)(ii) and 4(b)(iii) each being a “**Guarantor Winding-Up**”), the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and (where permitted to do so pursuant to Condition 11(d)) the Noteholders may claim or prove in such Guarantor Winding-Up for (in lieu of any other amount) an amount equal to the outstanding principal amount of the Notes together with all Arrears of Interest (if any) and any other accrued

but unpaid interest on the Notes and any damages awarded for breach of any obligations under the Notes and the Trust Deed, and the rights and claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed which shall not be subordinated) and the Noteholders against the Guarantor in respect of such amounts will be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors, but shall rank:

- (A) at least *pari passu* with all claims in respect of (i) all other subordinated obligations of the Guarantor which constitute, and all claims relating to a guarantee of, or other like or similar undertaking or arrangement given or undertaken by the Guarantor in respect of, any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and (ii) all obligations which rank, or are expressed to rank, *pari passu* therewith (together, “**Parity Obligations**”); and
- (B) in priority to (a) the claims in respect of (i) any subordinated obligations of the Guarantor which rank, or are expressed to rank, junior to the Guarantee, and (ii) all obligations of the Guarantor which constitute, and all claims relating to a guarantee of, or other like or similar undertaking or arrangement given or undertaken by the Guarantor in respect of, any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith, and (b) the claims of members of the Guarantor (under any applicable legislation relating to the winding-up of companies limited by guarantee and/or of insurers) in their capacity as members of the Guarantor (together, the “**Junior Obligations**”).
- (c) *Obligations of the Guarantor upon an Issuer Winding-Up where no Guarantor Winding-Up has occurred or is occurring*

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not also occurring, the Guarantor shall (as more particularly described in the Trust Deed) assume, or shall procure the assumption by a Subsidiary of the Guarantor of, all of the obligations of the Issuer under the Notes and the Trust Deed (including any damages awarded against the Issuer for breach of any of its obligations thereunder) as if references in the Notes and the Trust Deed to “the Issuer” were to the Guarantor or the relevant Subsidiary (as the case may be) but provided that the claims of the Trustee (other than in respect of its rights and claims in its personal capacity under the Trust Deed) and the Noteholders against the Guarantor in respect of all payment obligations under the Notes and the Trust Deed shall rank *pari passu* with the Guarantee.

Accordingly, once the Guarantor has assumed, or has procured the assumption by its Subsidiary of, such obligations of the Issuer under the Notes and the Trust Deed, the Guarantor or such Subsidiary (as the case may be) shall have all of the rights and benefits applicable to the Issuer in these Conditions and the Trust

Deed including, without limitation, the Issuer's ability to redeem, vary or substitute the Notes in the circumstances set out in Conditions 8(d), 8(e), 8(f) and 8(i).

## 5. Interest

### (a) *Interest Rate*

Each Note bears interest on its outstanding principal amount at the applicable Interest Rate from (and including) the Issue Date to (but excluding) the Maturity Date (or such other date on which the Notes become due for redemption) in accordance with the provisions of this Condition 5.

Subject to Condition 3(c), Condition 5(c) and Condition 6, interest shall be payable on the Notes annually in arrear on each Interest Payment Date, in each case as provided in this Condition 5.

### (b) *Interest Accrual*

Interest shall cease to accrue on each Note on the due date for redemption (which due date shall, in the case of deferral of a redemption date in accordance with Condition 8(b), be the latest date to which redemption of the Notes is so deferred), unless payment of the principal in respect of that Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue (in each case, both before and after judgment) as provided in the Trust Deed.

### (c) *Interest Rates*

Each Note bears interest on its outstanding principal amount at the rate of 7.625 per cent. per annum (the "**Initial Interest Rate**") from (and including) the Issue Date to (but excluding) the First Reset Date.

In respect of each Interest Period which commences on or after the First Reset Date, each Note shall bear interest on its principal amount at the applicable Reset Rate.

Where it is necessary to compute an amount of interest payable in respect of any Note for a period that is less than an Interest Period, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or first) scheduled Interest Payment Date.

The amount of interest payable (subject to Conditions 3(c) and 6) in respect of each £1,000 in outstanding principal amount of a Note on each Interest Payment Date up to (and including) the First Reset Date shall be £76.25.

(d) *Determination of Reset Rate*

The Interest Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on the Reset Determination Date for a Reset Period, determine the applicable Reset Rate for such Reset Period and shall promptly notify the Issuer and the Guarantor thereof.

(e) *Publication of Reset Rates*

Once the Issuer and the Guarantor have been notified of the Reset Rate by the Interest Calculation Agent in accordance with Condition 5(d), the Issuer (failing whom, the Guarantor) shall cause notice of the applicable Reset Rate, and the amount of interest which will (subject to Conditions 3(c) and 6) be payable per £1,000 in outstanding principal amount of a Note on each Interest Payment Date in respect of which the relevant Reset Rate applies, determined in accordance with this Condition 5, to be given to the Trustee, the Paying Agents, the Noteholders in accordance with Condition 14 and any stock exchange on which the Notes are for the time being listed or admitted to trading, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter. The Reset Rate so notified may be amended (or appropriate alternative arrangements made by way of adjustment) in the event of manifest error.

(f) *Interest Calculation Agent*

With effect from the Reset Determination Date for the first Reset Period, and for so long as any Notes remain outstanding thereafter, the Issuer shall maintain an Interest Calculation Agent.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Interest Calculation Agent with another financial institution in London or an independent adviser of recognised standing and appropriate expertise. If the Interest Calculation Agent is unable or unwilling to continue to act as the Interest Calculation Agent or fails duly to determine any Reset Rate as provided in Condition 5(d), the Issuer and the Guarantor shall forthwith appoint another financial institution in London or an independent adviser of recognised standing and appropriate expertise, in either case approved in writing by the Trustee to act as such and make the relevant determination in its place.

(g) *Determinations of Interest Calculation Agent binding*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Interest Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Interest Calculation Agent, the Principal Paying Agent, the Trustee, the Paying Agents and all Noteholders and no liability to the Noteholders, the Issuer or the Guarantor shall attach to the Interest Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**6. Deferral of Interest**

(a) *Optional Deferral of Interest*

Either the Issuer or the Guarantor may elect in respect of any Interest Payment Date, by notice to the Noteholders, the Trustee and the Principal Paying Agent given in accordance with Condition 6(g), for payment of the accrued but unpaid interest to that date to be deferred (in whole or in part) for any reason, and in such circumstances neither the Issuer nor the Guarantor shall have any obligation to make such payment on that date.

(b) *Mandatory Deferral of Interest*

Payment of interest on the Notes by the Issuer will be mandatorily deferred on each Regulatory Deficiency Interest Deferral Date, subject as provided in Condition 6(c). The Issuer, failing whom the Guarantor, shall notify the Noteholders, the Trustee and the Principal Paying Agent of any Regulatory Deficiency Interest Deferral Date in accordance with Condition 6(g), unless the relevant payment of interest will be made in full on such Regulatory Deficiency Interest Deferral Date following the granting by the Relevant Regulator of a waiver as contemplated in Condition 6(c) (provided that failure to make such notification shall not oblige the Issuer to make payment of such interest, or cause the same to become due and payable, on such date) and (subject as provided in Condition 6(c)) neither the Issuer nor the Guarantor shall have any obligation to make such payment on that date.

A certificate signed by two Directors or Authorised Signatories of the Issuer or the Guarantor confirming that (i) a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or would occur if payment of interest (or Guaranteed Amounts in respect thereof) on the Notes were to be made or (ii) a Regulatory Deficiency Interest Deferral Event has ceased to occur and/or payment of interest (or Guaranteed Amounts in respect thereof) on the Notes would not result in a new or further Regulatory Deficiency Interest Deferral Event occurring, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(c) *Waiver of Deferral of Interest by the Relevant Regulator*

Notwithstanding Condition 6(b), neither the Issuer nor the Guarantor shall be required to defer a payment of interest (including any Arrears of Interest) or any Guaranteed Amounts in respect thereof on a Regulatory Deficiency Interest Deferral Date or any other date (to the extent permitted by the Relevant Rules), and accordingly the Issuer (failing whom, the Guarantor) shall, subject to Condition 3(c), and unless the Issuer or the Guarantor elects to defer the relevant payment of interest pursuant to Condition 6(a), make the relevant payment of interest (or the relevant part thereof permitted by the Relevant Regulator to be made), if the following conditions, or such other conditions as may be imposed

by the Relevant Rules at the relevant time, are met (in each case, to the extent then required by the Relevant Rules):

- (i) deferral of interest would (but for this Condition 6(c)) be required only by virtue of Condition 6(b) and the applicable Regulatory Deficiency Interest Deferral Event occurs (or would occur if the relevant interest payment were made) solely as a result of non-compliance with an applicable Solvency Capital Requirement;
- (ii) the Relevant Regulator has exceptionally waived the deferral of the relevant interest payment (in whole or in part) and has provided the Issuer or the Guarantor (as the case may be) with written confirmation of the same (and has not withdrawn such waiver);
- (iii) payment of the relevant interest payment (or the relevant part thereof permitted by the Relevant Regulator to be made) would not further weaken the solvency position of the Issuer, the Guarantor or the Insurance Group; and
- (iv) each applicable Minimum Capital Requirement will be complied with immediately following the making of such interest payment (or the relevant part thereof permitted by the Relevant Regulator to be made), if made.

A certificate signed by two Directors or Authorised Signatories of the Issuer or the Guarantor confirming that the conditions set out in this Condition 6(c) (and/or, as the case may be, such other relevant conditions as are then imposed by the Relevant Rules) are met shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(d) *No default*

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral by the Issuer or the Guarantor of any payment of interest (i) in accordance with Condition 6(a), (ii) on a Regulatory Deficiency Interest Deferral Date in accordance with Condition 6(b) or (iii) as a result of the application of the Solvency Condition in accordance with Condition 3(c) will not constitute a default by the Issuer or the Guarantor and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed (including the Guarantee).

(e) *Arrears of Interest*

Any interest on the Notes not paid on an Interest Payment Date as a result of (i) the exercise by the Issuer or the Guarantor of its discretion to defer such payment of interest pursuant to Condition 6(a), (ii) any mandatory deferral of such payment of interest pursuant to Condition 6(b) or (iii) the operation of the Solvency

Condition in accordance with Condition 3(c) shall, to the extent and so long as the same remains unpaid, constitute “**Arrears of Interest**”.

Arrears of Interest shall not themselves bear interest.

(f) *Payment of Arrears of Interest by the Issuer*

Any Arrears of Interest may (subject to Condition 3(c), to satisfaction of the Regulatory Clearance Condition and to a Regulatory Deficiency Interest Deferral Event not existing at the time of, or occurring as a result of, such payment) be paid by the Issuer in whole or in part at any time upon the expiry of not less than 14 days’ notice to such effect given by the Issuer or the Guarantor to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 14 and in any event will become due and payable by the Issuer (subject, in the case of Conditions 6(f)(i) and 6(f)(iii) below, to Condition 3(c) and to satisfaction of the Regulatory Clearance Condition) in whole (and not in part) upon the earliest of the following dates:

- (i) the next Interest Payment Date which is not a Regulatory Deficiency Interest Deferral Date (or which is a Regulatory Deficiency Interest Deferral Date but the Relevant Regulator has waived mandatory deferral of interest on such date as contemplated in Condition 6(c)) (as evidenced by delivery of the certificate referred to in Condition 6(b)) and on which a scheduled payment of interest in respect of the Notes is made or is required to be made pursuant to these Conditions; or
- (ii) the date on which a Guarantor Winding-Up occurs; or
- (iii) the date fixed for any redemption or purchase of Notes pursuant to Condition 8 (subject to any deferral of such redemption date pursuant to Condition 8(b)) or Condition 11.

(g) *Notice of Deferral*

The Issuer or, as the case may be, the Guarantor shall notify the Trustee, the Principal Paying Agent and the Noteholders in writing in accordance with Condition 14:

- (i) not less than 10 Business Days prior to an Interest Payment Date, if it is an Interest Payment Date in respect of which the Issuer or, as the case may be, the Guarantor elects to defer interest as provided in Condition 6(a); or
- (ii) not less than five Business Days prior to an Interest Payment Date, if that Interest Payment Date is a Regulatory Deficiency Interest Deferral Date, provided that if a Regulatory Deficiency Interest Deferral Event occurs, or is determined, less than five Business Days prior to an Interest Payment Date, the Issuer or, as the case may be, the Guarantor shall give notice of the interest deferral in accordance with Condition 14 as soon as reasonably practicable following the occurrence of such event (and, in either case, such notice shall specify that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred

and is continuing or would occur if payment of interest were made on such Interest Payment Date); or

- (iii) not later than the relevant Interest Payment Date, if payment of any interest will not become due as a result of a failure to satisfy the Solvency Condition,

provided that (with regard to (ii) and (iii) above only) any delay in giving any such notice or any failure to give any such notice shall not result in such interest becoming due and payable on the relevant Interest Payment Date.

## **7. Payments**

### **(a) *Payments in respect of Notes***

- (i) Payments of principal, interest and Arrears of Interest shall be made on the due date for payment to the persons shown on the Register at the close of business on the date falling 15 days before the due date in respect of such payment. Payment of principal, interest and Arrears of Interest will be made by transfer to the registered account of the relevant Noteholder.
- (ii) Payments of principal, interest and Arrears of Interest due at the time of redemption of the Notes will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents.
- (iii) For the purposes of this Condition 7, a Noteholder's registered account means the sterling account maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the Register at the close of business on the date falling two Business Days before the due date for payment.

### **(b) *Payments subject to applicable laws***

Payments under the Notes will be subject in all cases to any applicable fiscal or other laws and regulations or other laws and regulations to which the Issuer or the Guarantor (or their respective Paying Agents) are subject and, save as provided in and without prejudice to Condition 9, neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

### **(c) *No commissions***

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 7.

### **(d) *Payment on Business Days***

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the due date for payment or, in the case of a payment of principal, interest or Arrears of Interest due at the time of redemption of the Notes, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Noteholder is late in surrendering its Certificate (in circumstances where it is required to do so).

(e) *Partial payments*

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

(f) *Agents*

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that they will at all times maintain:

- (i) a Principal Paying Agent;
- (ii) a Registrar; and
- (iii) such other agents as may be required by any stock exchange on which the Notes may be (at the request of the Issuer or the Guarantor) listed or admitted to trading.

Notice of any termination or appointment and of any changes in specified offices of any of the Agents will be given to the Noteholders promptly by the Issuer (failing whom, the Guarantor) in accordance with Condition 14.

## 8. **Redemption, Substitution, Variation and Purchase**

(a) *Redemption at Maturity*

Subject to Condition 8(b), Condition 8(h) and Condition 3(c) and to satisfaction of the Regulatory Clearance Condition and provided that such redemption is permitted under the Relevant Rules applicable at the relevant time (on the basis that the Notes are intended to qualify as Tier 2 Capital under the Relevant Rules), unless previously redeemed, substituted or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 5 May 2046 (the "**Maturity Date**"), together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the Maturity Date.

(b) *Deferral of redemption date*

- (i) No Notes shall be redeemed on the Maturity Date pursuant to Condition 8(a) or, prior to the Maturity Date, pursuant to any of Condition 8(d), 8(e), 8(f) or 8(i) if a Regulatory Deficiency Redemption Deferral Event has

occurred and is continuing or would occur if redemption were made on the otherwise applicable redemption date pursuant to this Condition 8.

- (ii) The Issuer, failing whom the Guarantor, shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 14 no later than five Business Days prior to any date set for redemption of the Notes if such redemption is to be deferred in accordance with Condition 8(b)(i) or Condition 8(b)(iv), provided that if the relevant event or circumstance requiring deferral occurs or is determined less than five Business Days prior to the date set for redemption, the Issuer, failing whom the Guarantor, shall give notice of such deferral in accordance with Condition 14 as soon as reasonably practicable following the occurrence or determination of such event (or circumstance); provided that any delay in making or any failure to make such notification shall not oblige the Issuer to make payment of such amounts, or cause the same to become due and payable, on such date and neither the Issuer nor the Guarantor shall have any obligation to make payment on that date.
- (iii) If redemption of the Notes does not occur on the Maturity Date or, as the case may be, the date specified in the notice of redemption by the Issuer under Condition 8(d), 8(e), 8(f) or 8(i) as a result of circumstances where:
  - (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were to be redeemed on such date; or
  - (B) the Relevant Regulator does not provide (or withdraws) its permission, non-objection or consent to the redemption (to the extent that permission, non-objection or consent is then required by the Relevant Regulator or the Relevant Rules) or such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date,

the Issuer shall (subject to satisfaction of the Regulatory Clearance Condition and, in the case of (1) and (2) below, the Solvency Condition) redeem the Notes at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest up to (but excluding) the date fixed for redemption, upon the earliest of:

- (1) the date falling 10 Business Days after the date the Regulatory Deficiency Redemption Deferral Event has ceased (unless on such 10<sup>th</sup> Business Day a further Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or redemption of the Notes on such 10<sup>th</sup> Business Day would result in a new or further Regulatory Deficiency Redemption Deferral Event occurring, in which case the provisions of Condition 8(b)(i) and this Condition 8(b)(iii) will apply *mutatis mutandis* to determine the due date for redemption of the Notes); or
- (2) the date falling 10 Business Days after the Relevant Regulator has agreed to, or confirmed its non-objection to, the repayment or redemption of the Notes (and provided such agreement or non-objection is not

withdrawn by the Relevant Regulator prior to such 10<sup>th</sup> Business Day); or

- (3) the date on which a Guarantor Winding-Up occurs.
- (iv) If Condition 8(b)(i) does not apply, but the obligations of the Issuer under the Notes to make payment of any principal in relation to the redemption of the Notes are mandatorily deferred as a result of the Solvency Condition not being satisfied at such time, subject to satisfaction of the Regulatory Clearance Condition, such payment shall be made on the 10<sup>th</sup> Business Day immediately following the day that the Guarantor is solvent for the purposes of Condition 3(c) provided that the payment of such principal (together with any accrued but unpaid interest and/or any Arrears of Interest) would not result in the Guarantor ceasing to be solvent for the purposes of Condition 3(c), and provided further that if on the date otherwise fixed for redemption pursuant to this Condition 8(b)(iv) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if the Notes were to be redeemed on such date, then the Notes shall not be redeemed on such date, redemption shall be deferred in accordance with Condition 8(b)(i), and Condition 8(b)(iii) shall apply *mutatis mutandis* to determine the due date for redemption of the Notes.
- (v) In addition to any certificate given pursuant to Condition 3(c) in relation to the satisfaction or otherwise of the Solvency Condition, a certificate signed by two Directors or Authorised Signatories of the Issuer or the Guarantor confirming that (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption of the Notes were to be made or (B) a Regulatory Deficiency Redemption Deferral Event has ceased to occur and/or redemption of the Notes would not result in a Regulatory Deficiency Redemption Deferral Event occurring, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.
- (vi) In circumstances where the redemption of the Notes has been deferred, the Issuer will notify the Trustee, the Registrar and the Principal Paying Agent in writing and notify the Noteholders in accordance with Condition 14 as soon as reasonably practicable after it has determined the relevant deferred date for redemption and (if applicable) of any subsequent redemption deferrals corresponding with deferred dates for redemption.
- (vii) The Issuer or the Guarantor may waive or suspend, at any time and in their sole discretion, the Issuer's right to redeem the Notes under any of Conditions 8(e), 8(f) or 8(i) for a (definite or indefinite) period of time to be determined by the Issuer or the Guarantor (the "**Inapplicability Period**") by notice to the Noteholders in accordance with Condition 14 and the Trustee. Any notice so given shall specify the Inapplicability Period(s) during which the Issuer shall cease to have the right to redeem the Notes under any of Conditions 8(e), 8(f) or 8(i). Any ongoing Inapplicability Period may be terminated by the Issuer or the Guarantor

at any time and in their sole discretion by notice to the Noteholders in accordance with Condition 14 and the Trustee.

(c) *Deferral of redemption not a default*

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of redemption of the Notes in accordance with Condition 3(c) or 8(b) will not constitute a default by the Issuer or the Guarantor and will not give Noteholders or the Trustee any right to accelerate the Notes or take any enforcement action under the Notes or the Trust Deed (including the Guarantee).

(d) *Redemption at the option of the Issuer*

Subject to Conditions 8(b) and 8(h), the Issuer may, having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes:

- (i) on the First Reset Date; or
- (ii) on any Interest Payment Date after the First Reset Date,

in each case at their principal amount together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date of redemption.

Subject as aforesaid, upon expiry of such notice, the Issuer shall redeem the Notes.

(e) *Redemption, variation or substitution for taxation reasons*

Subject to Conditions 8(b) and 8(h), if the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (i) as a result of any change in (or proposed change in), or amendment to (or proposed amendment to), the laws or regulations of a Relevant Jurisdiction (including any treaty to which such Relevant Jurisdiction is a party), or any change in (or proposed change in) the application or official or generally published interpretation of the laws or regulations of a Relevant Jurisdiction (including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously official or generally accepted position in relation to similar transactions (in respect of securities similar to the Notes and which are capable of constituting Tier 2 Capital under the rules applicable as at the Reference Date) or which differs from any specific written statements made by a tax authority regarding the anticipated tax treatment of the Notes), which change or amendment becomes (or would become) effective on or after the Reference Date, on the next Interest Payment Date either:
  - (A) the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 9; or

- (B) the Guarantor (being unable for any reason to procure payment of the relevant amounts due by the Issuer), in making payment of Guaranteed Amounts, would be required to pay Additional Amounts as provided or referred to in Condition 9; or
  - (C) the payment of interest (or any Guaranteed Amounts in respect of interest) would be treated as a “distribution” for United Kingdom corporation tax purposes or the Issuer or the Guarantor would otherwise not be able to claim a deduction from taxable profits for United Kingdom corporation tax purposes for interest (or any Guaranteed Amounts in respect of interest) payable on the Notes or for a material part of such interest (or Guaranteed Amounts in respect of such interest); or
  - (D) where: (1) in respect of the payment of interest (or any Guaranteed Amounts in respect of interest), the Issuer or the Guarantor, as the case may be, incurs a loss or a non-trading loan relationship deficit for United Kingdom corporation tax purposes in respect of such interest or Guaranteed Amounts in relation to an accounting period; and (2) other companies with which the Issuer or the Guarantor (as the case may be) is grouped for the purpose of group relief from applicable United Kingdom corporation tax have profits chargeable to United Kingdom corporation tax in respect of that accounting period but such loss or deficit is not capable of being surrendered to offset such profits chargeable to United Kingdom corporation tax of such other companies for United Kingdom corporation 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); and
- (ii) the effect of the foregoing cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 nor more than 60 days’ notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 14, the Noteholders (which notice to the Noteholders shall (subject to Conditions 8(b) and 8(h)) be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

- (A) redeem all (but not some only) of the Notes, at any time at their principal amount, together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which:
  - (1) with respect to Conditions 8(e)(i)(A) and 8(e)(i)(B) above, the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts;
  - (2) with respect to Condition 8(e)(i)(C) above, a payment of interest (or Guaranteed Amounts in respect of interest) would be treated as a “distribution” for United Kingdom corporation tax purposes or otherwise not deductible

from taxable profits for United Kingdom corporation tax purposes (or a material part of it would not be so deductible), in each case as referred to in Condition 8(e)(i)(C) above; or

(3) with respect to Condition 8(e)(i)(D) above, a payment of interest (or Guaranteed Amounts in respect of interest) would cause a loss or non-trading loan relationship deficit for United Kingdom corporation tax purposes which is not capable of being surrendered as referred to in Condition 8(e)(i)(D) above, in each case were a payment in respect of the Notes then due; or

(B) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities, and the Trustee shall (subject to the receipt by it of the certificates of the Directors or Authorised Signatories referred to in Condition 8(h) below and in the definition of "Qualifying Tier 2 Securities") agree to such substitution or variation.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(f) *Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event or Ratings Methodology Event*

Subject to Conditions 8(b) and 8(h), if a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing, or the Issuer or the Guarantor satisfies the Trustee that, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable ratings methodology, a Ratings Methodology Event will occur within a period of six months, then the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, the Registrar and the Noteholders in accordance with Condition 14 (which notice to the Noteholders shall (subject to Conditions 8(b) and 8(h)) be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(A) redeem all (but not some only) of the Notes at any time at their principal amount, together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date of redemption; or

(B) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain (1) in the case of a substitution or variation in connection with a Capital Disqualification Event, Qualifying Tier 2 Securities or (2) in the case of a substitution or variation in connection with a Ratings Methodology Event, Rating Agency Compliant Securities, and in either case the Trustee shall (subject to the receipt by it of the certificates of the Directors or Authorised Signatories referred to in Condition 8(h) below, in the definition of "Qualifying Tier 2 Securities" and (in the case of a substitution

or variation in connection with a Ratings Methodology Event) in the definition of “Rating Agency Compliant Securities”) agree to such substitution or variation.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(g) *Trustee role on redemption, variation or substitution; Trustee not obliged to monitor*

Subject to Condition 8(h), the Trustee shall (at the expense of the Issuer) use its reasonable endeavours to assist the Issuer and the Guarantor (including, but not limited to, entering into such documents or deeds as may be necessary) to give effect to the substitution or variation of the Notes for or into Qualifying Tier 2 Securities pursuant to Condition 8(e) or Qualifying Tier 2 Securities or Rating Agency Compliant Securities (as the case may be) pursuant to Condition 8(f) above, provided that the Trustee shall not be obliged to participate or assist in any such substitution or variation if such participation or assistance, or if the terms of the securities into which the Notes are to be substituted or varied, impose, in the Trustee’s opinion, more onerous obligations upon it or expose it to liabilities or reduces its protections, in each case as compared with the corresponding obligations, liabilities or, as appropriate, protections under the Notes. If the Trustee does not so participate or assist as provided above, the Issuer or the Guarantor may, subject as provided above, redeem the Notes as provided in this Condition 8.

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 8 and will not be responsible to Noteholders for any loss arising from any failure by it to do so. Unless and until the Trustee has written notice pursuant to these Conditions or the Trust Deed of the occurrence of any event or circumstance to which this Condition 8 relates, it shall be entitled to assume that no such event or circumstance exists or has arisen.

(h) *Preconditions to redemption, variation, substitution and purchases*

(i) Prior to the publication of any notice of redemption, variation or substitution pursuant to Conditions 8(e), 8(f) or 8(i), the Issuer, failing whom the Guarantor, shall deliver to the Trustee a certificate signed by two Directors or Authorised Signatories of the Issuer or the Guarantor, as the case may be, stating that (as the case may be):

(A) one or more of the requirements referred to in Condition 8(e)(i) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it; or

(B) a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing as at the date of the certificate (or, as the case may be, a Ratings Methodology Event will occur within a period of six months); or

- (C) the relevant circumstances in Condition 8(i) enabling the Issuer to exercise its redemption right thereunder exist (or are expected to exist on the proposed date for redemption pursuant to such Condition).

The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

- (ii) Any redemption of the Notes or any purchase by the Issuer, the Guarantor or any other member of the Insurance Group of any Notes and any substitution or variation of the terms of the Notes is subject to the Issuer or, as the case may be, the Guarantor having complied with the Regulatory Clearance Condition. Prior to the publication of any notice of redemption or any substitution, variation or purchase of the Notes, the Issuer or, as the case may be, the Guarantor will be required to have complied with the Regulatory Clearance Condition and (in the case of any redemption or purchase) be in continued compliance with the Regulatory Capital Requirements applicable to them at the respective time and the Solvency Condition and such redemption, substitution, variation or purchase not being prohibited by the Relevant Rules at the relevant time. A certificate from any two Directors or Authorised Signatories of the Issuer or the Guarantor to the Trustee confirming such compliance shall be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties. The Trustee shall be entitled to accept such certificate as sufficient evidence of such compliance and shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.
- (iii) Any redemption of the Notes, or any purchase of any Notes by the Issuer, the Guarantor or any other member of the Insurance Group, before the fifth anniversary of the Reference Date may only be made:
  - (A) on condition that such redemption or purchase is funded (to the extent then required by the Relevant Regulator or the Relevant Rules) out of the proceeds of a new issuance of capital of at least the same quality as the Notes (or, alternatively, in the case of a purchase of Notes only, by means of an exchange of such Notes for, or conversion of such Notes into, a new issuance of capital of at least the same quality as the Notes) and that such redemption or purchase is otherwise permitted under the Relevant Rules; or
  - (B) in the case of any redemption prior to the fifth anniversary of the Reference Date for taxation reasons pursuant to Condition 8(e) or due to a Capital Disqualification Event pursuant to Condition 8(f), the Issuer or the Guarantor having demonstrated to the satisfaction of the Relevant Regulator (such satisfaction to be conclusively evidenced by satisfaction of the Regulatory

Clearance Condition in respect of such redemption or purchase) that:

- (1) the Solvency Capital Requirement applicable to the Guarantor, the Insurance Group and each member of the Insurance Group will be exceeded by an appropriate margin immediately after such redemption (taking into account the solvency position of the Guarantor and all or such relevant part of the Insurance Group, including by reference to the Guarantor's or the Insurance Group's medium-term capital management plan); and
- (2) either:
  - (A) in the case of redemption for taxation reasons pursuant to Condition 8(e), the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date; or
  - (B) in the case of redemption due to a Capital Disqualification Event pursuant to Condition 8(f) the relevant change in the regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Reference Date.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase of the Notes, the prevailing Relevant Rules require any other pre-conditions to be satisfied in addition to, or instead of, any of the foregoing, such redemption, substitution, variation or purchase (as the case may be) shall instead be conditional upon compliance (in addition or, as the case may be, in the alternative to the foregoing) with the prevailing requirements of the Relevant Rules (if any).

A certificate from any two Directors or Authorised Signatories of the Issuer or the Guarantor (as applicable) to the Trustee confirming compliance with the relevant conditions referred to in this paragraph (iii) shall be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Noteholders and all other interested parties. The Trustee shall be entitled to accept such certificate as sufficient evidence of such compliance and shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(i) *Clean-up redemption at the option of the Issuer*

Subject to Conditions 8(b) and 8(h), if at any time on or after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes will be deemed to have been originally issued) has been purchased by the Issuer, the Guarantor or any other member of the Insurance Group and cancelled (or the Issuer and/or Guarantor expects that such aggregate principal amount of the Notes will, prior to any date

fixed for redemption, have been so purchased and cancelled), the Issuer may give not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent and the Registrar and, in accordance with Condition 14, to the Noteholders (which notice to the Noteholders shall (subject to Conditions 8(b) and 8(h) and to the following proviso) be irrevocable, and shall specify the date set for redemption), elect to redeem, in accordance with such notice and these Conditions, all (but not some only) of the remaining Notes at any time at their principal amount, together with all Arrears of Interest (if any) and any other accrued and unpaid interest to (but excluding) the date fixed for redemption; *provided that* if a notice is sent to Noteholders pursuant to this Condition 8(i) before the date in respect of which 75 per cent. or more of the aggregate principal amount of the Notes has been so purchased or cancelled and such principal has not, for any reason, been so purchased and cancelled prior to the date set for redemption in the relevant notice to Noteholders, such notice shall be automatically rescinded and shall have no effect and the Notes will not be redeemed pursuant to this Condition 8(i) on such date (but this is without prejudice to any subsequent redemption of the Notes pursuant to the further operation of this Condition 8(i)).

(j) *Compliance with stock exchange rules*

In connection with any substitution or variation of the Notes in accordance with Condition 8(e) or Condition 8(f), the Issuer and the Guarantor shall comply with the rules of any stock exchange or other relevant authority on which the Notes are (at the request of the Issuer or the Guarantor) for the time being listed or admitted to trading.

(k) *Purchases*

Subject to Conditions 8(h)(ii) and 8(h)(iii), and provided that no Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the relevant purchase were effected, the Issuer, the Guarantor or any other member of the Insurance Group may at any time purchase Notes in the open market or otherwise at any price. All Notes purchased by or on behalf of the Issuer, the Guarantor or any other member of the Insurance Group may be held, reissued, resold or, at the option of the relevant purchaser, surrendered for cancellation to the Registrar.

(l) *Cancellations*

All Notes redeemed or substituted by the Issuer pursuant to this Condition 8, and all Notes purchased and surrendered for cancellation pursuant to Condition 8(k), will forthwith be cancelled. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## **9. Taxation**

(a) *Payment without withholding*

All payments of principal and interest (including, without limitation, Arrears of Interest) and any other amounts by or on behalf of the Issuer or the Guarantor in

respect of the Notes or under the Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (including Arrears of Interest, and payments of Guaranteed Amounts in respect of interest and Arrears of Interest), but not principal or any other amount (or Guaranteed Amounts in respect of principal or any other amount), the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

- (i) *Other connection:* held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or
- (ii) *Lawful avoidance of withholding:* to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or
- (iii) *Surrender more than 30 days after the Relevant Date:* in respect of which the Certificate representing such Note is (where presentation is required under these Conditions) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer or by the Guarantor pursuant to the Guarantee will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). None of the Issuer, the Guarantor or any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with these

Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

(b) *Additional Amounts*

Any reference in these Conditions to any amounts in respect of interest (including Arrears of Interest, and payments of Guaranteed Amounts in respect of interest and Arrears of Interest) payable in respect of the Notes or the Guarantee shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 9 or under any undertakings given in addition to, or in substitution for, this Condition 9 pursuant to the Trust Deed.

**10. Prescription**

Claims against the Issuer in respect of principal, interest and Arrears of Interest will become prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect of them. Claims against the Guarantor for payment in respect of the Guaranteed Amounts will become prescribed and become void unless made within 10 years (in the case of Guaranteed Amounts relating to principal) or five years (in the case of Guaranteed Amounts relating to interest or Arrears of Interest) from the Relevant Date in respect of them.

**11. Events of Default**

(a) *Right to institute and/or prove in a winding-up*

(i) *Issuer non-payment where no Guarantor Winding-Up:*

If (1) neither an Issuer Winding-Up nor a Guarantor Winding-Up has occurred or (2) an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has not also occurred or is not occurring and, in either case, the Issuer is in default in the payment of any interest (including any Arrears of Interest) or of any principal due in respect of the Notes or any of them, then the Trustee and (where permitted to do so pursuant to Condition 11(d)) the Noteholders may, in accordance with Condition 3(b) and the terms of the Guarantee, but subject also to Conditions 3(c), 6(a), 6(b) and 8(b) claim under the Guarantee for such payments due but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or the Trust Deed.

(ii) *Issuer Winding-Up together with Guarantor Winding-Up:*

If an Issuer Winding-Up occurs at any time when a Guarantor Winding-Up has also occurred or is occurring, the Trustee and (where permitted to do so pursuant to Condition 11(d)) the Noteholders may claim under the Guarantee for the Guaranteed Amounts and the Trustee at its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an

Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) prove and/or claim in the relevant Issuer Winding-Up and/or Guarantor Winding-Up (whether in England and Wales or elsewhere), such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i) or Condition 4(b), as applicable, but may take no further or other action to enforce, prove or claim for any payment by the Issuer or the Guarantor in respect of the Notes or the Trust Deed (including, without limitation, the Guarantee).

(iii) *Guarantor non-payment or Guarantor Winding-Up:*

If:

- (A) default is made by the Guarantor for a period of 14 days or more in the payment of any Guaranteed Amount due under the Guarantee; or
- (B) the Guarantor is in a Guarantor Winding-Up where an Issuer Winding-Up has not occurred or is not occurring,

the Trustee at its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction):

- (1) institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere) and prove and/or claim in any Issuer Winding-Up, such claim being as described in, and subordinated in the manner described in, Condition 3(b)(i); and
- (2) in the case of Condition 11(a)(iii)(A) above, institute proceedings for the winding-up of the Guarantor in England and Wales (but not elsewhere) and, in the case of Condition 11(a)(iii)(A) or (B) above, prove and/or claim in any Guarantor Winding-Up, such claim being as described in, and subordinated in the manner described in, Condition 4(b),

but (in either case) may take no further or other action against either the Issuer or the Guarantor to enforce, prove or claim for any payment due in respect of the Notes or the Trust Deed (including the Guarantee), save as provided in Condition 3(b)(iv).

Any claim against the Issuer or, as appropriate, the Guarantor pursuant to this Condition 11(a)(iii) for amounts in respect of principal, interest and/or Arrears of Interest or, as the case may be, Guaranteed Amounts, shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Guarantor or, as appropriate, the Issuer and any claim against the Guarantor or, as appropriate, (and

in addition to the assignments set out in Conditions 3(b)(i) and 3(b)(ii), the Issuer for amounts in respect of Guaranteed Amounts or, as appropriate, principal, interest and/or Arrears of Interest shall be reduced if, and to the extent that, any amounts in respect of the same are first paid by or recovered from the Issuer or, as appropriate, the Guarantor.

(b) *Enforcement*

Without prejudice to Condition 11(a), the Trustee may at its discretion and without further notice institute such proceedings or take such actions or steps against the Issuer or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor (as the case may be) under the Trust Deed or the Notes (other than any payment obligations of the Issuer or the Guarantor under or arising from the Notes or the Trust Deed (including the Guarantee), including any payment of damages awarded for breach of any obligations thereunder), but in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums (in cash or otherwise) sooner than the same would otherwise have been payable by it pursuant to these Conditions and the Trust Deed.

Nothing in this Condition 11(b) shall, however, prevent the Trustee or the Noteholders from pursuing the remedies to which they are entitled pursuant to Condition 11(a).

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 11(a) or 11(b) above against the Issuer or the Guarantor to enforce the terms of the Trust Deed, the Notes or any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

(d) *Right of Noteholders*

No Noteholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the winding-up of the Issuer or the Guarantor or prove or claim in any Issuer Winding-Up or Guarantor Winding-Up (as applicable) unless the Trustee, having become so bound to proceed or being able to prove or claim in such Issuer Winding-Up or Guarantor Winding-Up, fails or is unable to do so within a 60 day period and such failure or inability shall be

continuing, in which case the Noteholders shall have only such rights against the Issuer and the Guarantor (as appropriate) as those which the Trustee is entitled to exercise as set out in this Condition 11.

(e) *Extent of Noteholders' remedy*

No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 11, shall be available to the Trustee or the Noteholders, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Notes or under the Trust Deed.

## 12. **Statutory Loss Absorption Powers**

- (a) Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understandings between the Issuer or the Guarantor (as applicable) and any Noteholder (which term, for the purposes of this Condition 12, includes each holder of a beneficial interest in the Notes) (or the Trustee on their behalf), by its acquisition of the Notes (or any interest therein), each Noteholder (and the Trustee on their behalf):
- (i) acknowledges and accepts that any amounts due under the Notes (whether by way of principal, interest (including Arrears of Interest) or otherwise, and whether or not the same shall have become due) or under the Trust Deed (including the Guarantee) in respect thereof may be subject to any applicable Statutory Loss Absorption Powers;
  - (ii) acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of Statutory Loss Absorption Powers and any amendment or variation of the terms of the Notes or of the Trust Deed (including the Guarantee) or any redemption, write-down, conversion, substitution, variation, purchase, cancellation, transfer, suspension of rights or other action (as applicable) in relation to the Notes or the Trust Deed (including the Guarantee) required to give effect to, or resulting from the exercise of, the Statutory Loss Absorption Powers; and
  - (iii) acknowledges and accepts that an exercise of the Statutory Loss Absorption Powers in respect of the Issuer, the Guarantor, the Notes or the Trust Deed (including the Guarantee) and its effects on the Notes or the Trust Deed (including the Guarantee) shall not constitute a default by the Issuer or the Guarantor (as the case may be).
- (b) Upon any exercise of the Statutory Loss Absorption Powers with respect to the Issuer, the Guarantor, the Notes or the Trust Deed (including the Guarantee), the Issuer or the Guarantor (as applicable) will provide a written notice to the Trustee and, in accordance with Condition 14, the Noteholders as soon as practicable regarding such exercise.
- (c) If, at any time, the Issuer or the Guarantor (as applicable), determines:
- (i) that it is:
    - (A) necessary, in order to ensure that the Notes continue to qualify (in whole or in part) as Tier 2 Capital for the purposes of the

Guarantor and/or the Insurance Group (whether on a solo, group or (sub-)consolidated basis); or

- (B) required by the Relevant Rules or a determination or decision of the Relevant Regulator,

to make amendments to these Conditions, the Notes and/or the Trust Deed to ensure that the Notes are subject to (or are otherwise acknowledged as being so subject to) any applicable Statutory Loss Absorption Powers; and

- (ii) the amendments that are necessary to achieve the objective specified in (i) above,

the Issuer or the Guarantor (as applicable) shall be entitled (at its sole option) to deliver to the Trustee a certificate signed by two Directors or Authorised Signatories of the Issuer or the Guarantor (as applicable) confirming the circumstances in (i) above and specifying the amendments determined pursuant to (ii) above (which certificate shall be conclusive evidence thereof, and the Trustee may rely absolutely on such certificate without investigation and without liability to any person) and thereupon, without the consent of Noteholders, the Trustee shall (at the expense of the Issuer and subject to Condition 12(d) below and the receipt by it of the certificate of the Directors or Authorised Signatories referred to in this Condition 12(c)) be obliged to (x) concur with the Issuer or Guarantor (as applicable) in making the amendments determined by the Issuer or Guarantor (as applicable) pursuant to (ii) above to these Conditions, the Notes and/or the Trust Deed (as applicable) and (y) co-operate with the Issuer or the Guarantor (as applicable) (including, but not limited to, entering into such documents or deeds as may be necessary) to give effect to any such amendments.

- (d) The Trustee shall not be obliged to concur with the Issuer or the Guarantor (as applicable) in making, to co-operate in, or to agree to, any amendments to these Conditions, the Notes and/or the Trust Deed pursuant to Condition 12(c) if such co-operation or the amendments impose, in the Trustee's opinion, more onerous obligations upon it or reduce its authorities or protections or expose it to any additional liability.
- (e) For the purposes of this Condition 12, "**Statutory Loss Absorption Powers**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements provided for under the laws of the UK (or of any other jurisdiction in which a relevant resolution authority is competent to exercise analogous powers in respect of the Issuer or the Guarantor (as applicable)) establishing or implementing (in whole or in part) a regime for the recovery and resolution of insurance firms and their affiliates which is applicable to the Issuer, the Guarantor or the Insurance Group, together with the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer or the Guarantor (or any affiliate of the Issuer or the Guarantor) can be reduced, cancelled, modified, or converted into shares, other

securities or other obligations of the Issuer, the Guarantor or any other person or suspended for a temporary period.

- (f) To the extent required by the Relevant Rules, any amendment to or variation of these Conditions, the Notes or any provisions of the Trust Deed pursuant to Condition 12(c) will be subject to satisfaction of the Regulatory Clearance Condition.

### 13. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or other Transfer Agent (or any other place notice of which shall have been given in accordance with Condition 14) upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer or the Guarantor may reasonably require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

### 14. Notices

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are (at the request of the Issuer or the Guarantor) for the time being listed or admitted to trading. Any notice shall be deemed to have been given on the earlier of (i) the second day after being so mailed and (ii) the date of publication (or, if so published more than once or on different dates, on the date of the first publication).

### 15. Substitution of Issuer or Guarantor

#### (a) *Substitution rights*

Subject to Condition 15(b), the Trustee shall, at the request of the Issuer and the Guarantor, agree with the Issuer and the Guarantor, without the consent of the Noteholders:

- (i) to the substitution of the Guarantor or its successor in business in place of the Issuer as principal debtor under the Trust Deed and the Notes; or
- (ii) (subject to the Notes remaining irrevocably guaranteed on a subordinated basis, in accordance with Condition 4, by the Guarantor), to the substitution of a Subsidiary or parent company of: (i) the Issuer or its successor in business or (ii) the Guarantor or its successor in business, in place of the Issuer or any previous substitute under this Condition 15 as principal debtor under the Trust Deed and the Notes; or
- (iii) to the substitution of a successor in business to the Guarantor in place of the Guarantor or any previous substitute under this Condition 15,

(each such substitute being hereinafter referred to as the “**Substituted Obligor**”), provided that in each case:

- (A) a trust deed or some other form of undertaking, supported by one or more legal opinions, is executed by the Substituted Obligor in a form and manner satisfactory to the Trustee, agreeing to be

bound by the terms of the Trust Deed and (in the case of (i) and (ii) above) the Notes, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substituted Obligor had been named in the Trust Deed and (in the case of (i) and (ii) above) the Notes, as the principal debtor in place of the Issuer (in the case of (i) and (ii) above) or as the guarantor in place of the Guarantor (in the case of (iii) above) (or of any relevant previous Substituted Obligor, as the case may be);

- (B) the Substituted Obligor delivers to the Trustee one or more legal opinions addressed to the Trustee, the Issuer and the Guarantor in a form approved by, and provided to, the Trustee that (i) it has obtained all necessary governmental and regulatory approvals and consents necessary for its assumptions of the duties and liabilities as Substituted Obligor under the Trust Deed and (in the case of (i) and (ii) above) the Notes in place of the Issuer or the Guarantor (as applicable) or, as the case may be, any previous Substituted Obligor and (ii) such approvals and consents are at the time of substitution in full force and effect. The Trustee may rely absolutely on such legal opinions without liability to any person and without any obligation to verify or investigate the accuracy thereof;
- (C) two Directors or Authorised Signatories (or other officers acceptable to the Trustee) of the Substituted Obligor certify that the Substituted Obligor is solvent at the time at which the substitution is proposed to be in effect and immediately thereafter (and the Trustee may rely absolutely on such certification without investigation and without liability to any person and shall not be bound to have regard to the financial condition, profits or prospects of the Substituted Obligor or to compare the same with those of the Issuer or (as the case may be) the Guarantor or (as the case may be) any previous Substituted Obligor);
- (D) (without prejudice to the generality of the foregoing) the Trustee may, in the event of such substitution agree, without the consent of the Noteholders, to a change in the law governing the Trust Deed and/or the Notes if such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders;
- (E) if the Substituted Obligor is, or becomes, subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the “**Substituted Territory**”) other than the territory of the taxing jurisdiction of which (or to any such authority of or in which) the Issuer or (as the case may be) the Guarantor (or any previous Substituted Obligor) is subject generally (the “**Original Territory**”), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution for the references in that Condition and in the term “Relevant Jurisdiction” as applied in Condition 8(e) to the Original Territory of references to the Substituted Territory whereupon the Trust Deed and the Notes will be read accordingly;

- (F) the Issuer, the Guarantor and the Substituted Obligor comply with such other requirements as are reasonable in the interests of the Noteholders, as the Trustee may direct; and
- (G) in the case of a substitution of the Guarantor pursuant to Condition 15(a)(iii) only, if the Notes are rated (where such rating was assigned or is then being maintained at the request or with the cooperation of the Issuer or the Guarantor) by one or more credit rating agencies of international standing immediately prior to such substitution, the Notes shall continue to be rated by each such rating agency immediately following such substitution, and each rating agency shall have confirmed that the credit ratings assigned to the Notes by each such rating agency immediately following such substitution are expected to be no less than those assigned to the Notes immediately prior thereto.

(b) *Conditions to substitution*

Any substitution pursuant to this Condition 15 shall be subject to satisfaction of the Regulatory Clearance Condition.

Any substitution pursuant to this Condition 15 which occurs prior to the fifth anniversary of the Reference Date shall, if the Issuer, Guarantor (or previous Substituted Obligor) being replaced will thereafter remain subject to prudential supervision by the Relevant Regulator pursuant to the Relevant Rules, also be subject to compliance with Condition 8(h)(iii)(A), if then required by the Relevant Regulator or the Relevant Rules.

Any such agreement by the Trustee pursuant to this Condition 15 will, if so expressed, operate to release the relevant Issuer or Guarantor (or any such previous Substituted Obligor) from any or all of its obligations under these Conditions and the Trust Deed and shall be binding on the Noteholders. Not later than 14 days after the execution of any such documents and after compliance with such requirements, notice of the substitution will be given to the Noteholders in accordance with Condition 14.

**16. Meetings of Noteholders, Modification, Waiver and Authorisation**

(a) *Meetings of Noteholders*

Any modification to these Conditions or any provisions of the Trust Deed will be subject to the Issuer or the Guarantor satisfying the Regulatory Clearance Condition in respect thereof.

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of conference call or video conference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor, the Trustee or Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or

representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons present whatever the principal amount of the Notes held or represented by them, except that, at any meeting the business of which falls within the proviso to paragraph 3 of Schedule 3 to the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., of the principal amount of the Notes for the time being outstanding.

The Trust Deed also provides that a written resolution executed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present shall take effect as if it were an Extraordinary Resolution.

An Extraordinary Resolution passed at any duly convened and held meeting of the Noteholders or by way of a written resolution will be binding on all Noteholders, whether or not they are present at the meeting or (as the case may be) whether or not they execute the written resolution.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions, the Notes and/or the Trust Deed required to be made in connection with the substitution or variation of the Notes pursuant to and in accordance with Condition 8(e), Condition 8(f), Condition 12 or any consequential amendments to these Conditions, the Notes and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or the Guarantor pursuant to Condition 15.

(b) *Modification, waiver, authorisation and determination*

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed: (i) which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders; (ii) which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error; or (iii) which is required in connection with Condition 8(e), Condition 8(f) or Condition 15. For the avoidance of doubt, such power shall not extend to any such modification as mentioned in the proviso to paragraph 3 of Schedule 3 to the Trust Deed unless required for the substitution or variation of the Notes pursuant to Condition 8(e) or Condition 8(f) or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer or the Guarantor pursuant to Condition 15.

(c) *Trustee to have regard to interests of Noteholders as a class*

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution of obligor), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders

(whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

(d) *Notification to the Noteholders*

Any modification, abrogation, waiver, authorisation, determination, or substitution pursuant to this Condition 16 shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

## 17. **Transfer of Business of the Guarantor**

In connection with any transfer of the whole or a substantial part of its business:

- (a) to another body in accordance with Part VII (Control of Business Transfers) of the FSMA; or
- (b) to a single legal entity where such transfer is pursuant to the exercise by the Relevant Regulator under the Financial Services Compensation Scheme of its powers in connection with any applicable law, rule or regulation,

the Guarantor shall procure that, subject to satisfaction of the Regulatory Clearance Condition, there shall be included in the transfer, all the liabilities and obligations of the Guarantor as obligor under the Guarantee and references in these Conditions and the Trust Deed to the Guarantor shall be construed accordingly. Any such transfer may be made without prior approval from the Trustee or the Noteholders, but is without prejudice to any statutory right of the Trustee or the Noteholders to raise objections in respect of any such transfer.

In this Condition 17, “**a substantial part**” means any part which, as at the most recent valuation date by reference to the latest published financial statements of the Guarantor and as certified in writing by two Directors or Authorised Signatories of the Guarantor to the Trustee, represents 50 per cent. or more of liabilities (where the amount of the liabilities of the Guarantor is deemed to mean

the same as the technical provisions of the Guarantor, net of reinsurance) relating to policies underwritten by the Guarantor.

**18. Indemnification of the Trustee and its Contracting with the Issuer and the Guarantor**

(a) *Indemnification of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Guarantor and the Noteholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst- case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

(b) *Trustee contracting with the Issuer and the Guarantor*

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

(c) *Reports and certificates*

The Trust Deed provides that the Trustee may rely and act upon on the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant (including the auditors of the Issuer or the Guarantor), surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Guarantor, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee may also rely and act upon certificates and/or information addressed to it from, or delivered by, the Issuer, the Guarantor, any Substituted Obligor or any one or more directors of the Issuer, the Guarantor or any Substituted Obligor or any of their respective auditors, liquidators, administrators or other insolvency

officials. The Trustee will not be responsible to anyone for any liability occasioned by so relying and acting. Any such advice, opinion, information or certificate may be sent or obtained by letter, email, electronic communication or fax and the Trustee shall not be liable for acting in good faith on any advice, opinion, information or certificate purporting to be conveyed by such means even if it contains an error or is not authentic.

## 19. Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes ranking *pari passu* in all respects and having the terms and conditions the same as those of the Notes (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes. Any further notes which are to form a single series with the outstanding Notes shall be constituted by a deed supplemental to the Trust Deed.

The Issuer shall only issue further notes which are to be consolidated and form a single series with the outstanding Notes if it is content that (i) such further notes will upon issue qualify as Tier 2 Capital of the Guarantor and the Insurance Group and (ii) the outstanding Notes will continue to qualify as Tier 2 Capital of the Guarantor and the Insurance Group following the issuance of such further notes and their consolidation to form a single series with the outstanding Notes.

## 20. Governing Law and Jurisdiction

### (a) *Governing law*

The Trust Deed (including the Guarantee) and the Notes, and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee) and/or the Notes, are governed by, and shall be construed in accordance with, English law.

### (b) *Jurisdiction of English courts*

The Issuer and the Guarantor have, in the Trust Deed, irrevocably agreed for the benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Guarantee or the Notes (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee) or the Notes) (each a “**Dispute**”) and accordingly each of the Issuer and the Guarantor has submitted to the exclusive jurisdiction of the English courts.

The Issuer and the Guarantor have, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

To the extent allowed by law, the Trustee and the Noteholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

## 21. Rights of Third Parties

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

## 22. Defined Terms

In these Conditions:

“**Additional Amounts**” has the meaning given to it in Condition 9;

“**Agency Agreement**” has the meaning given to it in the preamble to these Conditions;

“**Agents**” means the Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agents or any of them and shall include such other agents appointed from time to time under the Agency Agreement;

“**Arrears of Interest**” has the meaning given to it in Condition 6(e);

“**Assets**” means the unconsolidated gross assets of the Guarantor (or, as applicable, the Issuer) as shown in the latest published audited balance sheet of the Guarantor (or, as applicable, the Issuer), but adjusted for contingencies and subsequent events, all in such manner as the Directors of the Guarantor (or, as applicable, the Issuer) may determine;

“**Authorised Signatory**” has the meaning given to it in the Trust Deed;

“**Business Day**” means (i) except for the purposes of Conditions 2 and 7(d), a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in London, (ii) for the purposes of Condition 2, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in the city in which the specified office of the Registrar or Transfer Agent with whom a Certificate is deposited in connection with a transfer is located and (iii) for the purpose of Condition 7(d), a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in London and, in the case of surrender of a Certificate, in the place in which the Certificate is surrendered;

a “**Capital Disqualification Event**” is deemed to have occurred if at any time as a result of any change to the Relevant Rules (or change to the interpretation of the Relevant Rules by any court or authority entitled to do so), the whole or any part of the principal amount of Notes either:

- (i) ceases to be eligible for inclusion as Tier 2 Capital; or
- (ii) is capable of counting towards Tier 2 Capital only with the application of deductions (which deductions are not provided for (or are provided for but to a lesser degree) under the Relevant Rules prevailing as at the Reference Date,

for the purposes of the Guarantor and/or the Insurance Group, whether on a solo, group or (sub-)consolidated basis, except (in either case) where such non-qualification is only as a result of any applicable limitation on the amount of such capital (other than a

limitation derived from any transitional or grandfathering provisions under the Relevant Rules);

“**Certificate**” has the meaning given to it in Condition 1(a);

“**Code**” has the meaning given to it in Condition 9(a);

“**Companies Act**” means the Companies Act 2006 (as amended or re-enacted from time to time);

“**Conditions**” has the meaning given to it in the preamble to these Conditions;

“**Directors**” means the directors of the Issuer, the Guarantor or the Substituted Obligor (as the case may be) from time to time;

“**domestic insurance undertaking**” means an undertaking which would require authorisation as an insurance undertaking if its head office were situated in the UK;

“**domestic reinsurance undertaking**” means an undertaking which would require authorisation as a reinsurance undertaking if its head office were situated in the UK;

“**Extraordinary Resolution**” has the meaning given to it in the Trust Deed;

“**FATCA Withholding**” has the meaning given to it in Condition 9(a);

“**Financial Services Compensation Scheme**” means the UK compensation scheme, established under the FSMA, which commenced operations on 1 December 2001 as a fund of last resort to protect deposits and certain other obligations, within prescribed limits, of customers of authorised financial services firms which are unable, or likely to become unable, to meet their obligations in respect thereof, or any successor or replacement scheme;

“**First Reset Date**” means 5 May 2036;

“**FSMA**” means the Financial Services and Markets Act 2000 (as amended or re-enacted from time to time);

“**Further Notes**” means any notes issued after the Issue Date which are consolidated and form a single series with the Notes pursuant to Condition 19;

“**Group Insurance Undertaking**” means an insurance undertaking, reinsurance undertaking, domestic insurance undertaking or domestic reinsurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Insurance Group pursuant to the Relevant Rules;

“**Guarantee**” has the meaning given to it in Condition 4(a);

“**Guaranteed Amounts**” has the meaning given to it in Condition 4(a);

“**Guarantor**” has the meaning given in the preamble to these Conditions;

**“Guarantor Winding-Up”** has the meaning given to it in Condition 4(b);

**“Inapplicability Period”** has the meaning given to it in Condition 8(b)(vii);

**“Initial Interest Rate”** has the meaning given to it in Condition 5(c);

**“Initial Margin”** means 2.50 per cent.;

**“Insolvent Insurer Winding-up”** means:

- (i) the winding-up of any Group Insurance Undertaking; or
- (ii) the appointment of an administrator of any Group Insurance Undertaking; or
- (iii) any other event or procedure analogous to that described in (i) or (ii) in respect of any Group Insurance Undertaking (including, if applicable, any special insolvency procedure or special administration procedure pursuant to any applicable regime for the recovery and resolution of insurance firms and their affiliates) which has the effect of a winding-up or liquidation of any Group Insurance Undertaking,

in each case where the Guarantor (acting reasonably) has determined that the Policyholder Claims of that Group Insurance Undertaking may or will not all be met in full.

**“Insurance Group”** means, at any time, the Guarantor (or any successor in business of the Guarantor) and its Subsidiaries at such time;

**“insurance undertaking”** has the meaning given to it in the Relevant Rules;

**“Interest Calculation Agent”** means the interest calculation agent to be appointed and maintained by the Issuer in the circumstances set out in Condition 5(f);

**“Interest Payment Date”** means 5 May in each year from and including 5 May 2027;

**“Interest Period”** means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date;

**“Interest Rate”** means the Initial Interest Rate or the relevant Reset Rate (as applicable);

**“International Securities Market”** means the International Securities Market of the London Stock Exchange;

**“Issue Date”** means 5 May 2026, being the date of the initial issue of the Notes (other than any Further Notes);

**“Issuer”** has the meaning given in the preamble to these Conditions;

**“Issuer Senior Creditors”** means:

- (i) creditors of the Issuer who are unsubordinated creditors of the Issuer;
- (ii) creditors of the Issuer whose claims are in respect of instruments or obligations which constitute, or would but for any applicable limitation on the amount of any such capital constitute, Tier 3 Capital; and
- (iii) other creditors of the Issuer whose claims are, or are expressed by their terms to be, subordinated to the claims of other creditors of the Issuer (other than those (A) whose claims are in respect of instruments or obligations which constitute, or would, but for any applicable limitation on the amount of any such capital, constitute (i) Tier 1 Capital or (ii) Tier 2 Capital, or (B) whose claims otherwise rank, or are expressed by their terms to rank, *pari passu* with, or junior to, any claims in respect of the Notes);

**“Issuer Winding-Up”** means:

- (i) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (other than a solvent winding-up of the Issuer solely for the purposes of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, where (a) either (i) the terms of such reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution, or (ii) the substitution is effected in accordance with the provisions of Condition 15 and (b) in either case, the terms of such reconstruction, amalgamation or substitution (as the case may be) do not provide that the Notes shall thereby become payable;
- (ii) the appointment of an administrator of the Issuer where the administrator has given notice that it intends to declare and distribute a dividend or other assets of the Issuer; or
- (iii) the liquidation or dissolution of the Issuer or any other event or procedure analogous to that described in sub-paragraph (i) or (ii) occurring in respect of the Issuer (including, if applicable, any special insolvency procedure or special administration procedure pursuant to any applicable regime for the recovery and resolution of insurance firms and their affiliates) which has the effect of a winding-up or liquidation of the Issuer.

**“Junior Obligations”** has the meaning given to it in Condition 4(b);

**“Liabilities”** means the unconsolidated gross liabilities of the Guarantor (or, as applicable, the Issuer) as shown in the latest published audited balance sheet of the Guarantor (or, as applicable, the Issuer), but adjusted for contingent liabilities and for subsequent events, all in such manner as the Directors of the Guarantor (or, as applicable, the Issuer) may determine;

**“London Stock Exchange”** means the London Stock Exchange plc;

**“Maturity Date”** has the meaning given to it in Condition 8(a);

**“Minimum Capital Requirement”** means the Minimum Capital Requirement or the minimum group Solvency Capital Requirement (as applicable) of the Guarantor and/or the Insurance Group or any other minimum capital requirement, group minimum capital requirement or other equivalent capital requirement applicable to the Guarantor and/or

the Insurance Group howsoever described in the Relevant Rules (other than, for the avoidance of doubt, the Solvency Capital Requirement);

“**Noteholder**” has the meaning given to it in Condition 1(b);

“**Notes**” has the meaning given to it in the preamble to these Conditions;

“**Original Territory**” has the meaning given to it in Condition 15;

“**Parity Creditors**” means creditors of the Guarantor whose claims (including claims in respect of any guarantee given by the Guarantor) rank, or are expressed to rank, *pari passu* with the claims of the Noteholders (or the Trustee on their behalf) under the Guarantee, including holders of Parity Obligations;

“**Parity Obligations**” has the meaning given to it in Condition 4(b);

“**Paying Agents**” has the meaning given to it in the preamble to these Conditions;

“**Policyholder Claims**” means, in respect of a Group Insurance Undertaking, claims of the policyholders of that Group Insurance Undertaking and beneficiaries under contracts of insurance or reinsurance written by that Group Insurance Undertaking in a winding-up, administration, liquidation or analogous event or procedure of that Group Insurance Undertaking which has the effect of a winding-up or liquidation of that Group Insurance Undertaking, to the extent those claims relate to any debt to which that Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance or reinsurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up or administration (or analogous procedure) of insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have;

“**Principal Paying Agent**” has the meaning given to it in the preamble to these Conditions;

“**Qualifying Tier 2 Securities**” means securities issued directly or indirectly by the Guarantor that:

- (i) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Guarantor in consultation with an investment bank, financial institution or other independent adviser of recognised standing, and provided that a certification to such effect (including as to the consultation with the investment bank, financial institution or other independent adviser and in respect of the matters specified in (ii) below) signed by two Directors or Authorised Signatories of the Guarantor shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof) prior to the amendment or issue (as the case may be) of the relevant securities);
- (ii) subject to (i) above, shall (1) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 2 Capital; (2) bear at

least the same rate of interest from time to time applying to the Notes and preserve the same Interest Payment Dates; (3) if directly issued by the Guarantor rank or, if indirectly issued by the Guarantor benefit from a guarantee from the Guarantor which ranks, at least *pari passu* with the ranking of the Guarantee; (4) preserve the obligations of (including obligations arising from the exercise of any rights of) the Issuer and the Guarantor as to redemption of the Notes, including as to the timing of, and amounts payable on redemption of the Notes; (5) contain terms providing for (A) optional deferral of payments of interest and (B) mandatory deferral of payments of interest and/or principal only if (in the case of (A) and (B)) such terms are not materially less favourable to a holder thereof than the interest and/or principal deferral provisions contained in these Conditions, and do not contain terms providing for optional deferral of payments of principal; (6) do not contain any provisions which require the write-off or write-down of any principal amount payable on such securities or conversion of such securities into equity (provided that this sub-paragraph (6) shall not preclude the inclusion of any provisions analogous to Condition 12); and (7) preserve any existing rights under these Conditions to any interest, Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders but not been paid; and

- (iii) are listed and/or admitted to trading on the London Stock Exchange (which may be on the main market, the International Securities Market or any successor or similar market of the London Stock Exchange), or are otherwise listed on a Recognised Stock Exchange or admitted to trading on any multilateral trading facility operated by a Recognised Regulated Stock Exchange, as selected by the Issuer and approved by the Trustee;

**“Rating Agency”** means each of Moody’s Investors Service Limited, S&P Global Ratings UK Limited and Fitch Ratings Limited and any of their respective affiliates or successors;

**“Rating Agency Compliant Securities”** means securities issued directly or indirectly by the Guarantor that are:

- (i) Qualifying Tier 2 Securities; and
- (ii) assigned the same “equity credit” (or such other nomenclature as may be used by the relevant Rating Agency or Subsequent Rating Agency (if applicable) from time to time to describe the degree to which the terms of an instrument are supportive of an issuer’s senior obligations in terms of either leverage or total capital) or, at the absolute discretion of the Guarantor, a lower “equity credit” (provided such “equity credit” is still higher than the “equity credit” assigned to the Notes after the occurrence of the Ratings Methodology Event) as that which was (A) first assigned by the Rating Agency or Subsequent Rating Agency to the Notes (i) in the case of equity credit assigned by a Rating Agency, on or around the Issue Date or (ii) in the case of equity credit assigned by a Subsequent Rating Agency, on the date that such equity credit was first assigned by such Subsequent Rating Agency or (B) (if later) assigned by that Rating Agency or Subsequent Rating Agency as at (or in connection with an issue of Further Notes on) the Reference Date; and provided that a certification to such effect signed by two Directors or Authorised Signatories of the Guarantor shall have been delivered to the Trustee prior to the issue of the relevant securities (upon which the Trustee shall be entitled to rely absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof);

a “**Ratings Methodology Event**” will be deemed to occur upon a change in methodology of a Rating Agency or a Subsequent Rating Agency (or in the interpretation of such methodology) after the Reference Date as a result of which the “equity credit” (or such other nomenclature as may be used by that Rating Agency or that Subsequent Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer’s senior obligations in terms of either leverage or total capital) assigned by that Rating Agency or that Subsequent Rating Agency to the Notes is (or will be), as notified by that Rating Agency or that Subsequent Rating Agency to the Issuer or the Guarantor or as published by that Rating Agency or that Subsequent Rating Agency, reduced when compared to (i) the “equity credit” first assigned by that Rating Agency or Subsequent Rating Agency to the Notes (whether on or around the Issue Date or thereafter) or (ii) (if this is lower) the lowest “equity credit” assigned by such Rating Agency or Subsequent Rating Agency to the Notes at the time of, or in connection with, any issue of Further Notes (where, in each case, any such “equity credit” was assigned following solicitation by, or with the co-operation of, the Issuer or the Guarantor);

“**Recognised Regulated Stock Exchange**” means a regulated recognised stock exchange as defined in section 987 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

“**Recognised Stock Exchange**” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

“**Reference Date**” means, at any time, the later of (i) the Issue Date and (ii) if any Further Notes have been issued pursuant to Condition 19, the date of issue of the then-latest such tranche of Further Notes as at such time;

“**Register**” has the meaning given to it in Condition 1(a);

“**Registrar**” has the meaning given to it in the preamble to these Conditions;

“**Regulatory Capital Requirements**” means any applicable capital resources requirement or applicable overall financial adequacy rule (or equivalent) required by the Relevant Regulator, as any such requirement or rule is in force from time to time;

the “**Regulatory Clearance Condition**” will be satisfied with respect to any proposed act or action on the part of the Issuer or the Guarantor (as the case may be) with respect to these Conditions, the Trust Deed or the Notes if the Issuer or Guarantor (as the case may be) has satisfied any applicable requirements to notify the Relevant Regulator and, if applicable, received permission, consent or due notification of non-objection in writing from the Relevant Regulator, with respect to such proposed act or action (and the Relevant Regulator has not withdrawn its permission, consent or non-objection), if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time with respect to such proposed act or action;

“**Regulatory Deficiency Interest Deferral Date**” means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is

continuing or would occur if payment of interest were made on such Interest Payment Date;

**“Regulatory Deficiency Interest Deferral Event”** means any event (including, without limitation and as applicable, where an Insolvent Insurer Winding-up has occurred and is continuing and any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Guarantor, the Insurance Group or any Group Insurance Undertaking to be breached and the continuation of such Insolvent Insurer Winding-up is, or as the case may be, such breach is, an event) which means that the Issuer must defer payment of interest (or, if applicable, Arrears of Interest) in respect of the Notes and/or the Guarantor must defer a payment of Guaranteed Amounts in respect of interest under the Guarantee (on the basis that the Notes are intended to qualify as Tier 2 Capital of the Guarantor and the Insurance Group);

**“Regulatory Deficiency Redemption Deferral Event”** means any event (including, without limitation and as applicable, where an Insolvent Insurer Winding-up has occurred and is continuing and any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Guarantor, the Insurance Group or any Group Insurance Undertaking to be breached and the continuation of such Insolvent Insurer Winding-up is, or as the case may be, such breach is, an event) which means that the Issuer must defer making a payment of principal under the Notes and/or the Guarantor must defer making a payment under the Guarantee of Guaranteed Amounts in respect of a scheduled repayment or redemption or any purchase of the Notes (on the basis that the Notes are intended to qualify as Tier 2 Capital of the Guarantor and the Insurance Group);

**“Relevant Date”** has the meaning given to it in Condition 9(a);

**“Relevant Jurisdiction”** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and/or interest (including Arrears of Interest) on the Notes and/or any Guaranteed Amounts in respect thereof;

**“Relevant Regulator”** means the Bank of England acting as the UK Prudential Regulation Authority through its Prudential Regulation Committee or such successor or other authority in the UK having primary supervisory authority with respect to prudential matters in relation to the Guarantor and/or the Insurance Group;

**“Relevant Rules”** means, at any time, any legislation, rules, guidelines, regulations or expectations set forth in applicable supervisory statements or applicable statements of policy (whether having the force of law or otherwise) then having effect in the UK and applied by the Relevant Regulator to the Guarantor or the Insurance Group (including, without limitation, for the purposes of applying prudential requirements applicable to internationally active insurance groups, if and to the extent applicable to the Guarantor or the Insurance Group), relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and, without limitation to the foregoing, includes (to the extent then applied as aforesaid) Solvency UK; and

references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Relevant Rules shall be construed in the context of the Relevant Rules as they apply to Tier 2 Capital on the basis that the Notes are intended to continue to have the characteristics of Tier 2 Capital of the Guarantor and the Insurance Group under the Relevant Rules (notwithstanding the occurrence of a Capital Disqualification Event);

**“Reset Date”** means the First Reset Date and each fifth anniversary of the First Reset Date thereafter;

**“Reset Determination Date”** means, with respect to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences;

**“Reset Period”** means the period from (and including) the First Reset Date to (but excluding) the next succeeding Reset Date and each successive period from (and including) a Reset Date to (but excluding) the next following Reset Date;

**“Reset Rate”** means, with respect to a Reset Period, the rate of interest determined by the Interest Calculation Agent on the Reset Determination Date for such Reset Period as the sum of: (i) the Reset Reference Rate for such Reset Period, (ii) the Initial Margin, and (iii) the Step-Up Margin (such sum to be converted by the Interest Calculation Agent from a semi-annual to an annual basis in a commercially reasonable manner);

**“Reset Reference Banks”** means five brokers of gilts and/or gilt-edged market makers selected by the Issuer or the Guarantor;

**“Reset Reference Rate”** means, in respect of a Reset Period, the gross redemption yield (as calculated by the Interest Calculation Agent on the basis of the 5-year Gilt Yield Quotations provided by the Reset Reference Banks at approximately 11:00 a.m. (London time) on the Reset Determination Date for such Reset Period. Such quotations shall be obtained by or on behalf of the Issuer or the Guarantor and provided to the Interest Calculation Agent. If at least four quotations are provided, the Reset Reference Rate will be the arithmetic mean of the quotations provided, 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), and (if necessary) rounded up to four decimal places. If only two or three quotations are provided, the Reset Reference Rate will be the arithmetic mean (rounded as aforesaid) of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be the quotation provided (rounded as aforesaid). If no quotations are provided, the Reset Reference Rate will be the Initial Interest Rate less the Initial Margin. As used herein:

**“5-year Gilt Yield Quotation”** means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields for the Benchmark Gilt in respect of such Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank; and

**“Benchmark Gilt”** means, with respect to a Reset Period, such United Kingdom government security customarily used in the pricing of new issues with a similar tenor to such Reset Period and having a maturity date on or about the last day of such Reset Period as the Issuer or the Guarantor (on the advice of an investment bank of international repute or independent adviser of recognised

standing and appropriate expertise) may determine to be appropriate;

**“Senior Creditors”** means:

- (i) any policyholders of the Guarantor and all beneficiaries under contracts of insurance or reinsurance written by the Guarantor, and, for the avoidance of doubt, the claims of Senior Creditors of the Guarantor who are policyholders or beneficiaries shall include all amounts to which any such policyholder or beneficiary would be entitled in its capacity as policyholder or beneficiary under any applicable legislation or rules relating to a winding-up of companies limited by guarantee and/or of insurers generally to reflect any right to receive, or expectation of receiving, policyholder benefits which policyholders or beneficiaries may have;
- (ii) creditors of the Guarantor (other than policyholders) who are unsubordinated creditors of the Guarantor (including in respect of any unsubordinated guarantee given by the Guarantor);
- (iii) creditors of the Guarantor whose claims are in respect of instruments or obligations which constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Guarantor in respect of any obligation of any person which constitutes), or would but for any applicable limitation on the amount of such capital constitute, Tier 3 Capital; and
- (iv) other creditors of the Guarantor whose claims are, or are expressed by their terms to be, subordinated to the claims of other creditors of the Guarantor (other than those (A) whose claims are in respect of instruments or obligations which constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Guarantor in respect of any obligation of any person which constitutes), or would but for any applicable limitation on the amount of any such capital constitute (i) Tier 1 Capital or (ii) Tier 2 Capital, or (B) whose claims otherwise rank, or are expressed by their terms to rank, *pari passu* with, or junior to, any claims of the Noteholders (or the Trustee on their behalf) under the Guarantee);

**“Solvency Capital Requirement”** means the Solvency Capital Requirement or the group Solvency Capital Requirement (as applicable) of the Guarantor and/or the Insurance Group referred to in, or any other capital requirement (other than the Minimum Capital Requirement) howsoever described in, the Relevant Rules;

**“Solvency Condition”** has the meaning given to it in Condition 3(c);

**“Solvency UK”** means (i) the Solvency II Directive and any delegated act, regulatory technical standards or implementing standards made thereunder, as each forms part of, or are given effect to in, the domestic law of the UK and as each may be amended or replaced by the laws of England and Wales from time to time, and (ii) any additional measures adopted to give effect thereto (whether implemented by way of regulations, guidance, expectations of the Relevant Regulator or otherwise) and (iii) any legislation, rules, regulations, guidance or expectations of the Relevant Regulator which amend, modify re-enact or replace (i) and/or (ii) in the UK;

**“Solvency II Directive”** means Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II);

**“Statutory Loss Absorption Powers”** has the meaning given to it in Condition 12;

**“Step-Up Margin”** means 1.00 per cent.;

**“Subordinated Obligations”** means any Parity Obligations and any Junior Obligations;

**“Subsequent Rating Agency”** means any Rating Agency that assigns “equity credit” (or such other nomenclature as may be used by such rating agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer’s senior obligations in terms of either leverage or total capital) to the Notes after the Issue Date;

**“Subsidiary”** has the meaning given to it under section 1159 of the Companies Act;

**“Substituted Obligor”** has the meaning given to it in Condition 15;

**“Substituted Territory”** has the meaning given to it in Condition 15;

**“successor in business”** means, in relation to the Issuer, the Guarantor or any Substituted Obligor, any company which as a result of any amalgamation, merger or reconstruction, beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer, the Guarantor or the relevant Substituted Obligor (as the case may be) prior to such amalgamation, merger, reconstruction or agreement coming into force and carries on as successor to the Issuer, the Guarantor or the relevant Substituted Obligor (as the case may be) the whole or substantially the whole of the business carried on by the Issuer, the Guarantor or the relevant Substituted Obligor (as the case may be) immediately prior thereto;

**“Tier 1 Capital”** means Tier 1 own funds as defined in the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under the Relevant Rules);

**“Tier 2 Capital”** means Tier 2 own funds as defined in the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under the Relevant Rules);

**“Tier 3 Capital”** means Tier 3 own funds as defined in the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under the Relevant Rules);

**“Transfer Agents”** has the meaning given to it in the preamble to these Conditions;

**“Trust Deed”** has the meaning given to it in the preamble to these Conditions;

**“Trustee”** has the meaning given to it in the preamble to these Conditions;

**“United Kingdom”** or **“UK”** means the United Kingdom of Great Britain and Northern Ireland; and

**“£”** and **“sterling”** mean the lawful currency for the time being of the United Kingdom.

## OVERVIEW OF THE PROVISIONS RELATING TO THE NOTES WHILST IN GLOBAL FORM

The Notes will initially be represented by a global certificate (the “**Global Certificate**”). The Global Certificate contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes set out in these Admission Particulars. The following is a summary of certain of those provisions.

### Initial Issue of Certificates

The Global Certificate will be deposited with, and registered in the name of a nominee (the “**Registered Holder**”, which term shall include any subsequent nominee if applicable) for, the Common Depository for Euroclear and Clearstream, Luxembourg on the Issue Date. Euroclear and Clearstream, Luxembourg will credit the accounts of the relevant Accountholders (as defined below) from time to time with book-entry interests in the Notes represented by the Global Certificate.

### Accountholders

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system as the holder of a Note represented by the Global Certificate from time to time (an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or such other relevant clearing system (as the case may be) as to the outstanding principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the term “**Noteholders**” and references to “**holding of Notes**” and to “**holder of Notes**” shall be construed accordingly) (the “**Accountholder’s Holding**”) for all purposes other than with respect to payments on such Notes, for which purpose the Registered Holder shall be deemed to be the holder of such aggregate principal amount of the Notes in accordance and subject to the terms of the Global Certificate.

Each Accountholder must look solely to Euroclear, Clearstream, Luxembourg or any such other relevant clearing system (as the case may be) for their share of each payment made by or on behalf of the Issuer or the Guarantor to (or to the order of) the Registered Holder and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other relevant clearing system (as the case may be). Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes or under the Guarantee for so long as the Notes are represented by the Global Certificate, and such obligations of the Issuer and the Guarantor will be discharged by payment to (or to the order of) the Registered Holder in respect of each amount so paid.

### Exchange

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or a relevant clearing system. These provisions will not prevent the trading of interests in the Notes within a clearing system in accordance with the rules and operating procedures of such clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

- (a) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any other relevant clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no successor or replacement clearing system satisfactory to the Trustee is available; or
- (b) upon or following any failure by the Issuer (failing which, the Guarantor) to pay principal in respect of any Notes (or, as the case may be, Guaranteed Amounts in respect of principal) when due and payable,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the holder of the Notes represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer. Where the holding of Notes represented by the Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Euroclear or Clearstream, Luxembourg or any other relevant clearing system.

## Payments

For so long as the Registered Holder is shown in the Register as the holder of the Notes evidenced by a Global Certificate, the Registered Holder shall (subject as set out above under "*Accountholders*") in all respects be entitled to the benefit of such Notes and in its capacity as holder of such Notes shall be entitled to the benefit of the Trust Deed and the Agency Agreement. Payments of all amounts payable to Noteholders under the Conditions and the Trust Deed in respect of the Notes evidenced by a Global Certificate will be made to (or to the order of) the Registered Holder.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent such amounts are paid to (or to the order) of the Registered Holder as aforesaid, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Upon any payment of any amount payable under the Conditions or the Trust Deed the amount so paid shall be entered by the Registrar on the Register, which entry shall constitute prima facie evidence that the payment has been made.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which (notwithstanding Condition 7(a)) shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

## Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer, the Guarantor or any of the subsidiaries of the Guarantor will be effected by reduction in the aggregate principal amount of the Notes in the Register and shall be duly endorsed (for information purposes only) by the annotation of the appropriate schedule to the Global Certificate.

### **Calculation of interest**

Notwithstanding the provisions of Condition 5, for so long as all of the Notes are represented by the Global Certificate, interest payable to the Registered Holder shall be calculated on the aggregate principal amount of the Notes represented by such Global Certificate and not per Calculation Amount (but otherwise shall be calculated in accordance with Condition 5).

### **Notices**

For so long as all of the Notes are represented by the Global Certificate and the same is held on behalf of one or more clearing system(s), notices to Noteholders may be given by delivery of the relevant notice to such relevant clearing system(s) for communication to the relevant accountholders (or otherwise in such manner as the Trustee, the Principal Paying Agent and the relevant clearing system(s) may approve for this purpose) rather than in the manner as required by Condition 14. Any such notice shall be deemed to have been given to the Noteholders on the day such notice is delivered to the relevant clearing system as aforesaid.

So long as the Notes are admitted to listing or trading on any stock exchange, the requirements of such stock exchange shall also be complied with.

### **Prescription**

Claims against the Issuer in respect of any amounts payable in respect of the Notes represented by the Global Certificate will be prescribed after 10 years (in the case of principal) and five years (in the case of interest or any other amounts) from the due date.

### **Electronic Consent and Written Resolution**

While any Global Certificate is registered in the name of any nominee for a clearing system, then approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**”) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution (as defined in the Trust Deed) to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent.

Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Certificate and/or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the

person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer, the Guarantor and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EasyWay or Clearstream, Luxembourg’s Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## USE OF PROCEEDS

The net proceeds of the issue of the Notes will be on-lent by the Issuer to the Guarantor and used by the Guarantor for its general corporate purposes including, without limitation, for the repayment of the Issuer's existing securities (in the Issuer's sole and absolute discretion) including the redemption in full of the Issuer's outstanding £350,000,000 6.50 per cent. Fixed Rate Reset Subordinated Notes callable 2023 due 2043 (ISIN: XS0935312057) (the "**Existing Notes**") (originally issued by Liverpool Victoria Financial Services Limited (formerly Liverpool Victoria Friendly Society Limited)). The aggregate principal amount of Existing Notes outstanding as at the date hereof is £200,002,000. The Existing Notes will be cancelled following redemption.

## DESCRIPTION OF THE ISSUER

### General

The Issuer was incorporated in England and Wales on 8 August 2023 under the Companies Act 2006 (as amended) and registered in England and Wales with registered number 15058232.

The registered office of the Issuer is at County Gates, Bournemouth, Dorset, United Kingdom, BH1 2NF. The Issuer has issued 50,000 ordinary shares, all of which are fully paid up. The issued ordinary shares of the Issuer are held directly by the Guarantor.

The issuer is a direct wholly-owned subsidiary of the Guarantor. The Issuer is a special purpose vehicle established for the purpose of issuing debt securities (including the Notes) and to provide finance to the Guarantor.

### Management

#### *Directors of the Issuer*

The following is a list of directors of the Issuer and their principal directorships held outside the Group which are, or may be, significant with respect to the Issuer, as at the date of these Admission Particulars. The business address of each of the directors referred to below is County Gates, Bournemouth, Dorset, United Kingdom, BH1 2NF.

<b>Name</b>	<b>Responsibilities in relation to the Issuer</b>	<b>Principal activities outside the Group</b>
<b>David Hynam</b>	Executive Director	Chair of HomeServe Membership Limited
<b>Stephen Percival</b>	Executive Director	Executive Director of The Aquila Foundation
<b>Jean-Marc Robert</b>	Executive Director	None

#### *Conflicts of Interest*

There are no potential conflicts of interest between the duties to the Issuer of the persons listed under “*Directors of the Issuer*” above and their private interests or other duties.

### Ratings

The Issuer is rated in line with the Guarantor (see further “*Group Credit Ratings*” below).

## DESCRIPTION OF THE GUARANTOR AND THE GROUP

### General

The Group consists of the Guarantor and its subsidiaries (including the Issuer). The Guarantor is a company limited by guarantee and not having share capital, registered in England and Wales with registered number 12383237. The Guarantor was founded in 1843, initially as a friendly society (under the name of Liverpool Victoria Friendly Society Limited), and became a mutual insurance company in 2020. The Guarantor is authorised by the PRA and jointly regulated by the FCA and the PRA.

The registered address of the Guarantor is County Gates, Bournemouth, Dorset, United Kingdom, BH1 2NF. The principal legislation under which the Guarantor operates is the Companies Act 2006 and regulations made thereunder.

The Group predominantly operates in the UK life and pensions insurance industry and is a leading UK life and pensions mutual insurer with over one million members and customers.

### History of the Group

The growth of the Group has encompassed a mixture of organic growth and strategic acquisitions, which can be summarised as follows:

- The Group was founded in Liverpool in 1843, subsequently expanding across England, Scotland, Wales and Ireland, relocating to London in 1884.
- In 1996, the Group acquired the Frizzell Group, marking its expansion into the general insurance sector. This continued, with the acquisitions of Permanent Insurance Company Limited and Royal National Pension Fund for Nurses in 2001, and the later acquisition of Teachers Provident Society in 2016.
- In 2019, the Group sold its general insurance business (originally acquired via Frizzell Group) to Allianz, refocussing on life, pensions and retirement products.
- In 2020, the Group transitioned from its original friendly society structure to a mutual insurance group structure.
- In 2024, the Group transitioned its assets under management to BlackRock, to serve as its primary asset manager.

### Business of the Group

The Guarantor is a leading UK life and pensions mutual insurer. The Group's business offers a wide variety of long-term products and services across the following strategic areas:

- *Investments* – the Group provides access to multi-asset, low volatility investments through its with-profits Smoothed Managed Fund range.

- *Later Life and Pensions* – the Group enables and secures retirement options with pension propositions and helping to supplement retirement income through equity release and fixed-term annuities.
- *Protection* – the Group offers critical illness, income protection and life insurance products to help protect livelihoods and incomes.
- *Advice and Direct* – the Group engages in-house specialist advisers who provide whole of market 'at retirement' advice and direct-to-consumer products.
- *Heritage* – the Group ensures fair value and service for legacy with-profits, unit-linked and other policies which are now closed for business.

The Group's offerings are structured as either with-profits products, where policyholders participate in the performance of pooled investment funds and profits of the Group, or non-profit products, where benefits are defined contractually at inception. The Group distributes its products through a multi-channel model, including: (i) independent financial advisers, (ii) intermediary and broker relationships, (iii) direct-to-consumer channels, and (iv) strategic partnerships, and (v) third-party platforms. This diversified distribution approach enables the Group to reach a broad customer base across different stages of the customer lifecycle, from income protection during working life to retirement and later-life planning.

The Group's business model is focused on long-term sustainability, prudent risk management and maintaining strong capital coverage in support of its policyholder obligations. The Group combines in-house product expertise with investment management, underwriting, claims handling and advisory capabilities, and its purpose is to help people live financially confident lives through its product range, services and advice.

The Group also places emphasis on financial strength, operational resilience and responsible business practices, including environmental, social and governance (ESG) considerations. The Group's sustainability strategy focusses on three core pillars: (i) safeguarding the environment, (ii) being a sustainable mutual insurance company, and (iii) acting as a trusted and thoughtful provider.

### **Membership of the Guarantor**

The Guarantor is a mutual and therefore has no shareholders and no share capital. The Guarantor has historically funded its activities through premiums from policies, fees, investment income and realised capital gains therefrom.

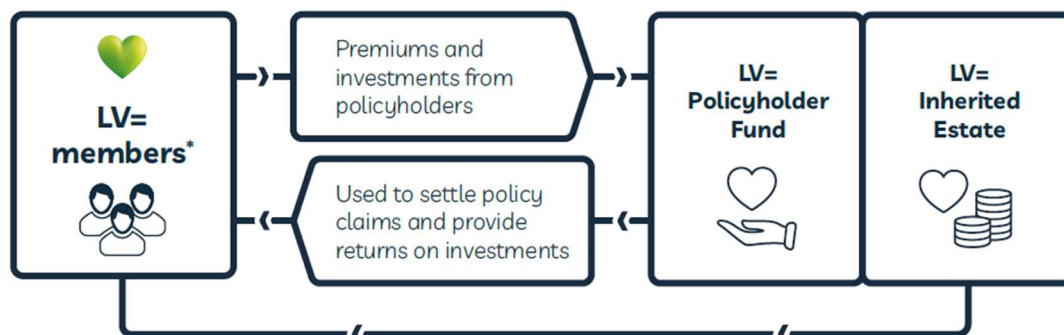
Voting rights in the Guarantor belong equally to its members, who are customers and policyholders of the business. The rules determining membership of the Guarantor are set out in its articles of association. The membership rules applicable to a given policy will depend on the policy type.

The Guarantor offers a number of products and services that feed into its mutual model, including savings and retirement products, protection products and legacy products which are closed to new entrants. The Guarantor has over one million members and customers who hold a variety of products including investments, life insurance, income protection and retirement income solutions. Members have access to a range of member benefits and additional support services.

Eligible members, who hold certain with-profits policies, may also benefit from a mutual bonus depending on financial strength and business performance.

Premiums and investments from policyholders are pooled firstly into a fund named the LV= Policyholder Fund and invested in a variety of assets and any returns increase the value of that fund. Due to the Group’s range of both with-profits and unit-liked products, the LV= Policyholder Fund contains a mixture of assets for different products, including the Group’s non-profit risk-based insurance business. The LV= Inherited Estate actively supports the LV= Policyholder Fund, and contains the majority of the Group’s excess assets. The LV= Inherited Estate includes profits and losses from existing and new business and from the Guarantor’s subsidiaries. It is used to invest in new business and in subsidiaries to generate future returns and act as a source of capital for running the Group’s business. In circumstances where a mutual bonus is awarded to eligible with-profits members (on which, see the section entitled “*Discretionary Mutual Bonus Arrangements*” below), this is generated from the LV= Inherited Estate. The structure of the mutual model is set out in the diagram at Figure 1 below.

Figure 1



*\*The mutual model does not include members in the ring-fenced RNPFN or Teachers Assurance Funds (see further the risk factor entitled “Principles and Practices of Financial Management (“PPFM”) lead to operational complexity and associated restrictions on assets within the Group”). Eligible with-profits members in such funds benefit from the distribution of the RNPFN or Teachers Assurance inherited estates.*

### Discretionary Mutual Bonus arrangements

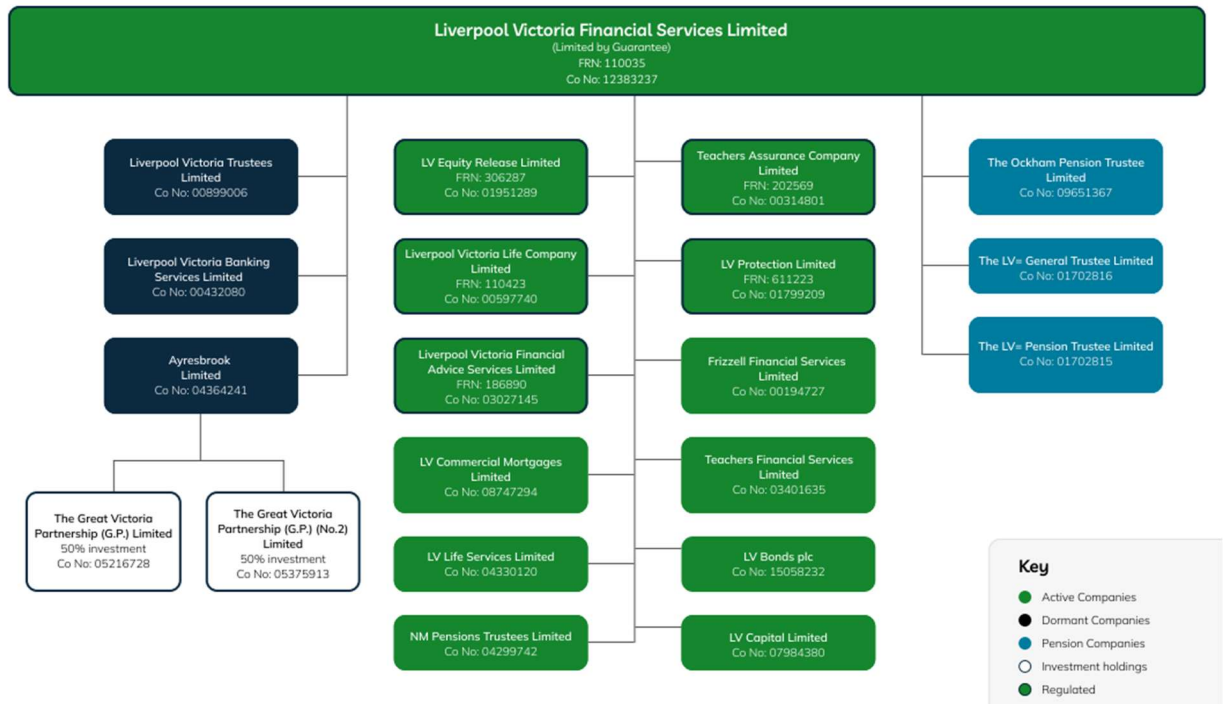
Since 2011, the Guarantor started allocating a proportion of the profits earned by the Group to certain qualifying with-profits policyholders through a profit share arrangement, known as a mutual bonus arrangement (the “**Mutual Bonus**”). This increases the underlying value of the with-profits policies, leading ultimately to higher claim values. The Mutual Bonus is available only to members holding eligible policies in accordance with the terms and conditions of their individual policies. The discretionary level of allocation is reviewed and approved by the Board on an annual basis and is subject to prior regulatory notification. The Board consults with the With-Profits Committee, With-Profits Actuary and Life Chief Actuary, taking into account the performance of the Group’s business against the business plan and the financial strength of the Group. Mutual Bonus rates are communicated alongside the Group’s financial results in each year. The Mutual Bonus is not guaranteed to be paid each year, and the amount can vary. Since 2011, the Group has awarded £513 million in member bonuses to eligible members. For the financial year ending 31 December 2025, the Guarantor delivered £100 million in member bonuses to eligible policies (£20 million in

Mutual Bonuses and £80 million in one-off bonuses (awarded from the 2019 sale of the general insurance business)).

### Organisational structure of the Group

Figure 2 below gives an overview of the legal structure of the Group and the Issuer and the Guarantor's position within the Group as at 1 February 2026.

Figure 2



### Other Relevant Information

#### Investment Strategy of the Group

As at 31 December 2025, the Group had approximately £10 billion of invested assets, including £7 billion in policyholder funds as well as £3 billion in non-policyholder funds across its portfolio. The breakdown of the Group's policyholder assets and non-policy holder assets is set out at Figure 3 below. The Group employs a conservative and well-matched investment strategy. As at 31 December 2025, the Group did not have any exposure to private credit through its investment assets.

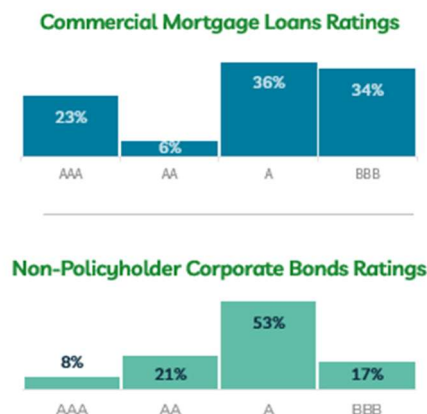
Figure 3



The Group's £7 billion in policyholder funds is comprised of Pensions, Smoothed Managed Funds and Heritage policies (each as further described under the subsection entitled "*Business of the Group*" above). The Group makes decisions around strategic asset allocation across these funds which are implemented by BlackRock, the Group's primary asset manager. The Group's asset allocation aims to deliver an appropriate balance between risk and reward, and ultimately means that only member fund values face market exposure.

The Group's £3 billion non-policyholder assets include the surplus assets in the Group's portfolio. These funds are typically held in low-risk gilts, cash and in the assets which back the annuity portfolios. The Group's annuity portfolios include corporate bonds, gilts, cash, internally funded equity release loans (a legacy item) and a limited allocation to commercial mortgage loans, which are sourced to improve yield, customer rates, and profitability on short-term fixed term annuities. The Group targets an average credit rating of 'A' across corporate bonds and commercial mortgage loans; an overview of the Group's exposure is included at Figure 4 below.

Figure 4



## Capital

The Guarantor is a UK mutual insurance company, and is subject to group-level regulation and prudential supervision by the PRA under the Solvency UK regime.

The Group considers that it has a strong capital position for the purposes of Solvency UK, which is critical to its ability to invest more in its business. The following table sets out a summary of the Guarantor and the Group's regulatory capital position as at 31 December 2025:

Capital surplus (£m)	Guarantor		Group	
	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
Eligible own funds	755	885	752	885
Solvency Capital Requirement (SCR)	385	479	382	474
<b>Surplus</b>	<b>370</b>	<b>406</b>	<b>370</b>	<b>411</b>
<b>Capital Coverage Ratio (CCR)</b>	<b>196%</b>	<b>185%</b>	<b>197%</b>	<b>187%</b>

As at 31 December 2025, the Group's capital surplus was £370 million (31 December 2024: £411 million). As at 31 December 2025, the Capital Coverage Ratio (which represents the ratio of the Guarantor and the Group's available capital to its respective required capital) of the Group was 197 per cent. (31 December 2024: 187 per cent.) and the Guarantor was 196 per cent. (31 December 2024: 185 per cent.), both of which are above the Group's minimum risk appetite of 140 per cent. and within the Group's target range of 160 per cent. to 200 per cent. As at 31 December 2025, the Group had consolidated own funds of £752 million (31 December 2024: £885 million).

The Guarantor has had discussions with the PRA about the treatment in its SCR of privately rated commercial mortgage loans. As a result of those discussions, the Guarantor will now treat such loans as unrated for SCR purposes. If applied retrospectively, this would result in a reduction of approximately 8-10 percentage points to the Guarantor's solvency coverage ratio at FY24 and FY25, remaining within the upper end of the target range of 160%- 200%. The Guarantor expects the effect to be similar in future reporting periods, excluding potential mitigating actions.

The Group uses a number of non-GAAP measures to report on its performance. Such APMs include, but are not limited to: (i) operating capital generation, which is the primary key performance indicator used by the Group's management to monitor the performance of its three business units, (ii) present value of new business premiums, which provides a measure of the value of new business written in a year (which includes the present value of the regular premiums the Group expects to receive over the term of contracts sold in a particular year), and (iii) profit before tax and member bonuses, which is used as a measure of the Group's profitability on a comparable basis to companies owned by shareholders. The Group's performance measured by reference to these APMs for the financial years ended 31 December 2024 and 31 December 2025 is set out in the table below.

Non-GAAP Measure	As at 31 December 2025	As at 31 December 2024
Present value of new business premiums	£1,232 million	£1,229 million

Operating capital generation	£48 million	£55 million
Profit before tax and member bonuses	£63 million	£80 million

Please refer to the section of these Admission Particulars entitled “Alternative Performance Measures” for further information on APMs. For further detail on an APM’s components and calculation method, see the sections of the LV Group Report 2025 and the LV Group Report 2024 incorporated by reference in these Admission Particulars, as set out on pages 10 – 11 of these Admission Particulars.

### **Group Credit Ratings**

As at the date of their 2025 review, S&P reaffirmed the Guarantor’s issuer rating at ‘BBB’, with the subordinated debt two notches below at BB+. The updated outlook was made following strong capital generation and improved fixed-charge coverage over recent years. In 2026, S&P raised the Guarantor’s issuer rating to ‘BBB+’, reflecting the Guarantor’s ability to sustain robust levels of operating performance (where fixed-charge coverage remains at or above 4x, while maintaining a clear excess of capital at the 99.99 per cent. confidence level). There can, however, be no assurance as to future ratings. For further information on the potential impact of a change in ratings on the Notes, the Issuer or the Guarantor, please refer to the risk factor entitled “*Credit ratings may not reflect all risks*”.

As at 31 December 2025, the Total Adjusted Capital of the Group continues to exceed the 99.99 per cent. confidence level. The Group calculates its adjusted fixed-charge coverage (“**AFCC**”) by using profit before interest, tax and mutual bonuses. These amounts are treated in the calculation as fully discretionary distributions to members (interest and tax is not a discretionary distribution to members). The Group’s AFCC has exceeded 4x since 2023, primarily driven by 9.44 per cent. interest on the £200 million outstanding Existing Notes – any reduction in either the principal outstanding or interest would improve the Group’s AFCC.

### **Management**

#### ***Directors of the Guarantor***

The following is a list of directors of the Guarantor and their principal directorships held outside the Group which are, or may be, significant with respect to the Guarantor, as at the date of these Admission Particulars. The business address of each of the directors referred to below is County Gates, Bournemouth, Dorset, United Kingdom, BH1 2NF.

<b>Name</b>	<b>Responsibilities in relation to the Guarantor</b>	<b>Principal activities outside the Group</b>
<b>David Hynam</b>	Chief Executive	Chair of HomeServe Membership Limited
<b>Colin Ledlie</b>	Non-Executive Director	Non-Executive Director of Reclaim Fund Ltd and Trustee of Transition Edinburgh South
<b>Susan McInnes</b>	Non-Executive Director	Non-Executive Director of Royal and Sun Alliance and Diligenta
<b>Simon Moore</b>	Chair	Chair of Principality Building Society
<b>Stephen Percival</b>	Chief Financial Officer	Executive Director of The Aquila Foundation
<b>David Rogers</b>	Senior Independent Director	Non-Executive Director of The Vauxhall Band, Hounslow Music Service, Automobile Association Insurance Services Limited, and Fieri Consort and Chair of Audit and Risk Committee of Automobile Association Insurance Services Limited and Director of Norrads Consulting
<b>Jonathan Pears</b>	Non-Executive Director	Member of the Audit and Risk Committee of Queen Mary University of London

### ***Conflicts of Interest***

There are no potential conflicts of interest between the duties to the Guarantor of the persons listed under “*Directors of the Guarantor*” above and their private interests or other duties.

### **Recent developments**

The Issuer announced on 27 April 2026 its intention to redeem the Existing Notes in full (of which £200,002,000 in aggregate nominal amount is currently outstanding). Should the redemption proceed, it will be completed in accordance with the terms and conditions of the Existing Notes (the “**Existing T&Cs**”). The proposed redemption is intended to take place on 22 May 2026, being the next contractual redemption date.

## TAXATION

*The comments below, which are of a general nature and are based on the Issuer's understanding of current UK law and HM Revenue & Customs published practice (which may not be binding on HM Revenue & Customs), in each case at the date of these Admission Particulars and which are subject to change (possibly with retrospective effect), describe only the UK withholding tax treatment of payments of interest (as that term is understood for UK tax purposes) in respect of the Notes. They are not exhaustive and do not purport to constitute legal or tax advice. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. They apply only to persons who are the absolute beneficial owners of Notes and some aspects may not apply to certain classes of person (such as persons connected with the Issuer) to whom special rules may apply. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional advisers.*

The Notes issued will constitute "quoted Eurobonds" provided they are and continue to be (i) listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007 ("ITA"), or (ii) admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange, within the meaning of section 987 ITA. The International Securities Market of the London Stock Exchange is a multilateral trading facility operated by a regulated recognised stock exchange for these purposes. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of UK income tax.

A further exclusion from the obligation to make a withholding or deduction for or on account of UK income tax when paying interest on the Notes applies where, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner of the interest is within the charge to UK corporation tax as regards the payment of that interest, provided HM Revenue & Customs has not given a direction that the interest should be paid under deduction or withholding for or on account of tax.

In other cases, absent any other relief or exemption (such as a direction by HM Revenue & Customs that interest may be paid without withholding or deduction for or on account of UK income tax (or that interest is to be paid with deduction on account of UK income tax at a reduced rate) to a specified Noteholder following an application by that Noteholder under an applicable double tax treaty), an amount must generally be withheld on account of UK income tax at the basic rate (currently 20 per cent.) from payments of interest on the Notes. This rate will increase to 22 per cent. (absent such relief or exemption as may be available) with effect from 6 April 2027.

Where Notes are issued at an issue price of less than 100 per cent. of their principal amount, any payments in respect of the accrued discount element on any such Notes should not generally be subject to any withholding or deduction for or on account of UK income tax as long as they do not constitute payments in respect of interest for tax purposes.

The UK withholding tax treatment of any payments made by the Guarantor under the terms of the Guarantee in respect of interest on the Notes (or other amounts due under the Notes) is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange or admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange as described above in relation to

payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments, these may be subject to UK withholding tax.

The above description of the UK withholding tax position assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution.

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 30 April 2026 (the “**Subscription Agreement**”), Barclays Bank PLC and Jefferies International Limited (together, the “**Joint Lead Managers**”) have agreed with the Issuer and the Guarantor, subject to the satisfaction of certain conditions, jointly and severally to subscribe and pay for, or procure subscription and payment for, the Notes at the issue price of 99.653 per cent. of their principal amount less certain commissions. The Joint Lead Managers are entitled to terminate and to be released and discharged from their obligations under the Subscription Agreement in certain circumstances prior to payment to the Issuer. In this situation, the issuance of the Notes may not be completed, and investors will have no rights against the Issuer, the Guarantor or the Joint Lead Managers in respect of any expense incurred or loss suffered in these circumstances.

The offering of the Notes is being conducted in conjunction with the redemption of the Issuer’s Existing Notes.

### **Selling Restrictions**

#### ***United States***

The Notes and the guarantee in respect thereof have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered the Notes, and will not offer, sell and deliver any Notes: (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States, or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Joint Lead Manager has further agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside of the United States to non-US persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### ***Prohibition of sales to EEA Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or both) of the following:

- (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 Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **UK**

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and would not, if the Guarantor was not an authorised person, apply to the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

### **Prohibition of sales to UK retail investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

### **Hong Kong**

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to

Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

### ***Italy***

Each Joint Lead Manager has represented and agreed it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes to any investor in the Republic of Italy.

### ***Singapore***

Each Joint Lead Manager has acknowledged that these Admission Particulars has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Admission Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

### ***Switzerland***

These Admission Particulars are not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither these Admission Particulars nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither these Admission Particulars nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

### ***General***

No action has been or will be taken by the Issuer or any of the Joint Lead Managers that would permit a public offering of the Notes or possession or distribution of these Admission Particulars (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations) in any country or any jurisdiction where, or in any circumstances in which, action for these purposes is required. These Admission Particulars do not constitute an offer and may not be used for the purposes of any offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

None of the Issuer, the Guarantor, the Trustee or the Joint Lead Managers has represented that the Notes may at any time lawfully be sold in or from any jurisdiction in compliance with any applicable registration requirements or pursuant to an exemption available thereunder or assumes any responsibility for facilitating such sales.

## GENERAL INFORMATION

- (1) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with a Common Code of 333693470 and an ISIN of XS3336934701. The CFI and FISN for the Notes can be obtained from the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN for the Notes (as applicable).
- (2) The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.
- (12) Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM. It is expected that admission of the Notes to trading on the ISM will be granted on or about the Issue Date. The Issuer estimates that the total expenses related to the admission to trading will be approximately £7,200.
- (3) Based upon an issue price of 99.653 per cent. of the principal amount of the Notes, the yield of the Notes for the period from (and including) the Issue Date to (but excluding) the First Reset Date (assuming solely for this purpose, that no payments of interest are deferred) is 7.676 per cent., per annum on an annual basis. The yield is calculated as at the Issue Date and on the basis of the issue price, and is not an indication of future yield.
- (4) The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom, in connection with the issue and performance of the Notes. The issue of the Notes was authorised by: (i) resolutions passed on 26 April 2026 by the Issuer's board of directors, (ii) resolutions passed on 25 March 2026 and 22 April 2026 by the Guarantor's board of directors and on 26 April 2026 by a duly authorised committee of the Guarantor's board of directors, and (iii) a resolution passed on 26 April 2026 of the sole shareholder of the Issuer in its capacity as the 'ultimate Parent Undertaking' for the purposes of, and in the context of, the requirements of Article 3.2 of the Issuer's Articles of Association.
- (5) The Trust Deed provides that the Trustee may rely conclusively without liability to any person on any certificate, advice, opinion or report from any auditors or other parties in accordance with the provisions of the Trust Deed whether or not any such certificate, advice, opinion or report contains any monetary or other limit on the liability of such auditors or such other party and notwithstanding that the scope and/or basis of such certificate, advice, opinion or report may be limited by any engagement or similar letter or by the terms of the certificate, advice, opinion or report itself.
- (6) There has been no significant change in the financial or trading position of the Issuer, the Guarantor or the LV Group, in each case since 31 December 2025.
- (7) There has been no material adverse change in the prospects of the Issuer, the Guarantor or the LV Group as a whole, in each case since 31 December 2025.
- (8) There are no, nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have, or have had during the period of 12 months

prior to the date of these Admission Particulars, a significant effect on the Issuer's or the Guarantor's ability to meet its obligations to holders of the Notes.

- (9) These Admission Particulars will be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <https://www.londonstockexchange.com/news?tab=news-explorer>.
- (10) For so long as any of the Notes are outstanding, copies of the following documents in English for inspection on the Guarantor's website at [www.lv.com](http://www.lv.com), save where an alternative is stated below:
- these Admission Particulars together with the documents containing information incorporated by reference herein;
  - the Trust Deed (which includes the form of the Global Certificate); and
  - the up-to-date articles of association of the Issuer (accessible at: <https://find-and-update.company-information.service.gov.uk/company/15058232>) and the Guarantor (accessible at: <https://find-and-update.company-information.service.gov.uk/company/12383237>).
- (11) Forvis Mazars LLP, Registered Independent Auditors with the Institute of Chartered Accountants in England and Wales, audited and rendered an unqualified independent audit report as of and on, (i) the consolidated financial statements of the Guarantor; and (ii) the financial statements of the Issuer, each as at and for the financial years ending 31 December 2024 and 31 December 2025. The independent auditors of the Issuer and the Guarantor have no material interest in the Issuer and/or the Guarantor.
- (12) The Joint Lead Managers and their respective affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor or the LV Group and their respective affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. The Joint Lead Managers and their respective affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor or the LV Group and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Lead Managers and/or their respective affiliates may receive allocations of Notes (subject to customary closing conditions), which could affect the future trading of the Notes. Certain of the Joint Lead Managers or certain of their respective affiliates that have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their respective affiliates would hedge

such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of Notes. The Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

- (13) There are no material contracts entered into other than in the ordinary course of the Issuer and/or the Guarantor's business which could result in any member of the LV Group being under an obligation or entitlement that is material to the Issuer and/or the Guarantor's ability to meet its obligations to Noteholders in respect of the Notes.

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